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ABSTRACT

The study described in this report was undertaken to provide a comprehensive understanding of the magnitude and scope of the present contingent work force and the potential of the contingent work force as a mechanism for assisting minority and female workers to enter into the mainstream work force. The study first examined the literature and body of knowledge describing the use and potential of the contingent worker and work force. It then determined the current manner in which business and industry used and viewed the contingent worker. The practices, beliefs, and attitudes of employers regarding the employment of contingent workers were examined through surveys of both a sample of entrepreneurs (n=825) and a sample of contingent workers (n=135) in New York City. A total of 47 percent of businesses surveyed reported some use of contingent workers. However, the number of employers using contingent workers had remained relatively constant over the 3 years under scrutiny (1987-90). Additionally, 52 percent of the firms projected no change in future use of contingent workers. Reasons for use of contingent workers included difficulties in attracting regular full-time skilled labor and professionals, cost savings, and flexibility of hiring workers as labor needs arise and specialized skills requirements dictate. Many minority groups were represented in the contingent work force. (Fifty-eight references are listed. Study questionnaires are appended.) (YLB)

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**The Contingent Workforce
In Urban America:**
Implications for
Human Resource Development:
A Final Report on a Research Study

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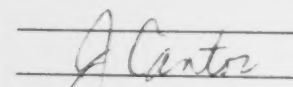
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The undertaking of this study was no simple matter. Despite a relatively small research budget, my family and I were determined to do the best job possible in seeking answers to our research questions. We all firmly believe that the contingent workforce is a real answer to many of America's economic and workforce problems. As such well over two years of intensive research effort was dedicated to this project.

I wish to acknowledge my wife Ruth Cantor for her efforts in data collection, analysis, and report writing. My son David did much to assist our data analysis, as did my research assistant, Farah Shah of Lehman College. To all of them, a sincere thank you and job well done.

Executive Summary

This study was undertaken to provide a comprehensive understanding of the magnitude and scope of the present contingent workforce, and the potential of the contingent workforce as a mechanism for assisting minority and female workers to enter into the mainstream workforce. It is anticipated that with this information, business educators can more adequately assist in the training of women and minorities (and others) for contingent work, and provide consultative advice to business and industry in the ways and means to employ this precious human resource. The study first examined the body of literature and knowledge describing the use and potential of the contingent worker and workforce. The study then proceeded to determine the current manner in which business and industry, primarily small business and industry, is currently using and viewing the contingent worker. The practices, beliefs, and attitudes of the employer regarding the employment of contingent workers were examined through surveys of both a sample of entrepreneurs (n = 825), and a sample of contingent workers (n = 135).

I found that significant use of part-time contingent labor is made by New York City businesses, especially small businesses-- which now form the major single segment of business in the city (68% of all firms responding in our employer survey were small businesses). From the results of my survey approximately one-half of the businesses surveyed used contingent workers. However, the number of employers using contingent workers has remained

relatively constant over the three years that was under scrutiny (1987-1990). Additionally, fifty-two (52) percent of the firms projected no change in future use of contingent workers. The use of contingent workers in the future, however, may indeed increase as the potential for economic prosperity increases.

An analysis of the appropriateness of contingent employment as a form of structured workplace learning, permitting the on-the-job development of a worker's knowledge, skills and attitudes was made. This report presents and describes appropriate training and human resource development interventions to better inform and educate the business person on developing strategies to more productively use the contingent worker in an organization.

CHAPTER ONE

Introduction

Is American business and industry ignoring an increasingly significant labor resource - namely the contingent (or temporary - the more popular term) worker? Likewise, does the contingent position offer an opportunity to enter gainful employment and develop marketable skills to those segments of our population otherwise cut off from employment opportunities?

According to the Workforce 2000 Report (Johnston, 1987) our country's contingent workforce is expected to increase in size and scope as we approach the 21st century. This results in part from: (1) a change in the economic structure of our nation and world; (2) the American worker seeking more workstyle alternatives; and (3) the business (generally small business) entrepreneur seeking solutions to the numerous uncertainties of conducting business in a dynamic environment. Business and industry will need to establish employment practices that will promote workplace productivity and business profitability and growth. Our nation's employers face significant problems of identifying adequate mechanisms for preparing new entrants and other workers re-entering the labor force -- the majority of whom will be women, ethnic minorities, and displaced workers for entry into the mainstream workforce. In addition more disadvantaged workers will be entering the workforce. Higher skills requirements will be required of our workforce by our growing technological economy, thus increasing the joblessness among the least-skilled. What better way to increase

the skills of these workers, -- than to place them in a contingent work setting that not only provides them with an income to support themselves and their families, but at the same time allows them to acquire the skills and training needed to become more successful in the workplace. Not only will this provide needed support to the contingent worker but it will also allow business and industry to use these non-traditional workers to satisfy their employment needs.

Purpose of the Study

This study was undertaken to provide a comprehensive understanding of the magnitude and scope of the present contingent workforce, and the potential of the contingent workforce as a mechanism for assisting minority and female workers to enter into the mainstream workforce. With this information, we as business educators can more adequately assist in the training of women and minorities (and others) for contingent work, and provide consultative advice to business and industry in the ways and means to employ this precious human resource.

This study initially took a closer look at the body of literature and knowledge describing the use and potential of the contingent worker and workforce. The study then proceeded to determine the current manner in which business and industry, primarily small business and industry, is currently using and viewing the contingent worker. I assessed the practices, beliefs, and attitudes of the employer regarding the employment of contingent workers. In doing so, I examined the appropriateness of

contingent employment as a form of structured workplace learning, which would permit the on-the-job development of a worker's knowledge, skills and attitudes. This report will present and describe appropriate training and human resource development interventions to better inform and educate the business person on developing strategies to more productively use the contingent worker in an organization. Additionally, this report will describe possible changes and additions to business education and business management curricula used to prepare personnel administrators, managers, and trainers who ultimately will have a profound effect on the integration and employment of the contingent worker.

Need for the Study

It is well recognized (Johnston, 1987) that the demographics of the American workforce is changing rapidly. As we approach the next century, demographers estimate that about 80 percent of new workers will be women, minorities, disadvantaged workers, and immigrants with minimal skills. Many of these will be poor, and/or single mothers with children, and/or minorities including recent emigres. Companies of all types will be forced to undergo major changes in the way they hire, train, pay and retrain employees. Not only will there be changes in the make-up of the workforce but business growth will significantly change in size, complexity, and structure as we approach the next century (Johnston, 1987). The small business will become the predominant new business enterprise. Unless new sources of workers can be found, jobs may be lost to automation, the quality of service to which customers have become

accustomed may decline, and more jobs may be exported overseas. In the long run, the nation's competitiveness and economic growth could suffer. To remain competitive, business will need to identify and employ a workforce which is adaptable to changing skills requirements; be able to meet productivity demands on short notice; and be able to work in more flexible environments.

An Overview

The contingent worker offers potential solutions to these needs (Macauley, 1986; Sacco, 1985). The contingent worker is defined and comprised of temporary (and often part-time) individuals who seek to enter the labor market for many different reasons. Among these reasons are temporary needs for funds by otherwise full-time students (Canape, 1990; Smith, 1985); professionals wanting to choose their own flexible work schedules (Fanning, 1990; Brophy & Walsh, 1987; Wise, 1989); spouses seeking additional family incomes (Canape, 1990; Seixas, 1988; Carey & Hazelbaker, 1986); retirees desiring activity (Beiswinger, 1989; Kirkpatrick, 1988); and/or people with limited skills trying to update their present skills, thus seeking a chance to be self-sustaining (Uchitelle, 1988).

Contingent work situations offers a potential solution to the problem of entering the mainstream workforce for minority and disadvantaged workers (Dreyfus, 1990; PCs Grow in Brooklyn, 1990; King, 1988; Berk-Levine, 1986). Contingent employment is an employment tool that provides a solution to the needs of both workers and employers. The job itself can be a form of training

and human resource development by allowing the contingent worker to assume a position that is theoretically less than permanent, and often less than full-time, but can allow the worker to gain skills that will enable one to enter the permanent workforce in the field (or in an allied field) of one's contingent employment. At the same time, this worker is filling a gap in an employer's workforce needs. An understanding of this segment of the labor force is also necessary in order to determine if it offers promise as a means for non-traditional workers to gain entry to the labor force.

Study Objectives

Specific research objectives addressed were:

1. *To conduct an in-depth review the literature on the changing workforce and its effect on small business, with an emphasis upon flexible staffing arrangements and contingent employment.*
2. *To describe the kinds of industries and firms using contingent workers.*
3. *To determine the characteristics of contingent workers and kinds of contingent jobs existing in small businesses.*
4. *To identify the reasons offered by small business entrepreneurs for employing the contingent worker.*
5. *To identify the reasons offered by the contingent worker for seeking contingent work.*
6. *To identify specific kinds of training and other human resource development interventions currently used by entrepreneurs for preparation of contingent workers.*
7. *To identify the practices and issues of job security, productivity, organization, work structures, and benefits affecting the contingent workforce.*
8. *To identify the potential of the contingent workforce as a means of entry into the workforce for minority and disadvantaged workers.*

Population and Sample

This study concentrated its sample on the business population of metropolitan New York City, a primarily small business community. Large businesses were also included in the survey sample. Metropolitan New York City offers the social science researcher an opportunity to investigate a wide diversity of social problems due to its multi-ethnic composition and its urban complexity. It is a microcosm of small business problems and needs. With the enormous social, economic, and political changes underway in this last decade of the century, the Bronx is a microcosm in which I could identify possible resources and practices that will promote a better understanding of the interplay of these forces on business survival.

Study Delimitations

I believe that the findings of this study will be generalizable to most any area of the United States due to the diversity of the businesses surveyed and the enormity of the problems analyzed.

Definitions

Contingent worker:

An employee who agrees to be flexible when and for how long one is hired to perform a specific task - sometimes for a few days or sometimes for a year (or more) (Russakoff & Skrzycki, 1988, p. A-18). The length of employment of the contingent worker can be controlled by employers due to the business climate (Brophy & Walsh, 1987).

The contingent worker can be classified into three types (Smith, 1985).

1. "Part-time temporary" - "extra help for extra work" or "fill in". This was the basic concept behind the emergence of temporary workers in the 1940s.

2. "Full-time temporary" - a worker employed on a long time basis, which may last from several months to several years.

3. "Permanent Temp" - temporary employees hired out on a permanent basis to one employer.

"Temps":

An individual who chooses to work as "a temp" on a permanent basis, as opposed to permanent employment in the regular job market.

Contingent workforce:

Temporary full-time and part-time workers, contractors, and other "no-strings-attached" employees (Russakoff & Skrzycki, 1988, p. A-18).

CHAPTER TWO

A Review of the Literature

We as Americans are witnessing unprecedented changes in our economy, in our societal demographics, and in our workplaces. These changes promise to have profound effects on what we do for work, how we go about doing it, and who we do it with. The focus of this study, however, is on one segment of this picture, the contingent workforce and how this segment of the workforce operates.

Numerous studies indicate shifts in the demographic makeup of the American workforce (Johnston, 1987). These shifts are precipitated by an aging of the population, an increase in the number of immigrants and refugees, an increase in the number of non-traditional workers in non-traditional jobs, and more women, blacks, and other minorities in the workforce, among others. Coupled with this is a decline in the overall literacy of the potential worker. The aggregate of this is a serious labor shortage, and problem for the business person attempting to meet a changing economic situation. Questions which need answers are:

- (1) How does American business meet current and future labor needs?
- (2) How do we as a society prepare these workers for jobs?
- (3) How can we better use the projected potential workforce and train these workers for the regular workforce.

This study explored the use of the contingent workforce as one way to meet these challenges and better employ our available labor assets. The study focused on an assessment of the current use of the contingent worker to determine who presently engages in temporary work, and why; and how the

business person views this resource.

The Labor and Economic Picture

The dawn of the Twenty-First Century is just around the corner. We are now solidly into the last decade of the 20th Century. This decade is witnessing dramatic changes in the American economic condition. Among these changes is a definite shift to a service-oriented economy (Blaine, 1986). Almost all economic growth will occur in the services industries, which will have the effect of creating a significant number of new jobs by the Year 2000 (Johnston, 1987). These new jobs will demand a high degree of specialized skills (Bordhead, 1991). Service industries to which will see a change in level of growth include health, education, trade, finance, insurance, real estate and government (Kutscher, 1987).

One interesting effect of the changing economic structure is a shift to small business start-ups (Gevirtz, 1984). The typical business growth over the decade will be small business growth. The typical work place will be smaller as a large proportion of the new jobs will be created by the growing number of small businesses. As indicated, the service industries will reflect the most growth and change. These will be small businesses who will need to identify appropriate worker skills and skills mixes to quickly meet continually changing customer needs (Deutsch, 1990). Additionally, small business prosperity will depend much more on how fast output per service worker increases.

Labor and small business. Economic and business history

suggest that almost all growing business and industry especially small business will need to consider alternative labor force arrangements. The small business is in fact faced with often seemingly insurmountable problems, which includes an ability to remain profitable; if not solvent. Among these are problems of workers. How does a small firm attract, train, and maintain an affordable workforce? As a small business, volatility and risk are the norm. In some industries, small business will enter into sub-contracting arrangements to establish a business base. The larger firm will see the advantage of sub-contracting as a means to share its risks of carrying a larger workforce in an age of contractual uncertainties (Uchitelle, 1988).

The small firm has begun to see the logic in using contingent workers in all areas of its workforce. As it begins to do business, financial specialists (such as retired accountant or financial officer) can be used to set up an accounting system and/or write a business plan (Kirkpatrick, 1988). Likewise, the firm can obtain short term legal advice and counsel through contingent services (Wise, 1989). The firm can obtain any and all expertise and managerial services, including a chief executive in this manner (Zinn, 1988).

Small businesses, as perhaps all businesses, can actually use the contingent worker as a management tool, keeping costs for manpower under control and hiring in those areas of production when and where necessary. One must recognize that it is cheaper to pay for a specialized skill only as long as it is needed, and it is

strategically smart to use contract help when a business is growing very quickly, or alternatively is in a phase of economic uncertainty (Lewis & Schuman, 1988).

It is well recognized that the general literacy and technical skills levels of the emerging workforce is falling short of what business expects and needs. "The market for talented professionals will become increasingly competitive, with the available workforce growing only a little more than one percent a year, compared to the three percent growth rate of the 1970s and early 1980s" (Guinn, 1989, p. 38). Even though there is a shortage of skilled workers, it appears that many firms are not equipped or willing to provide on-the-job training especially remedial training (Fowler, 1990).

The dynamism of the economy has had some devastating effects on many workers. Many skilled and unskilled workers (between 1.5 and 2 million) have become displaced from their jobs due to mergers, technological advances, or worsening economic conditions forcing layoffs, and restructuring. Many of these workers who were unionized, and/or blue collar, some with high salaries, find it difficult to obtain similar high-salary positions. Others, do not have adequate knowledge and skills necessary to transition into new occupations. Yet others, might have been on the verge of retirement and lack adequate motivation to search for new jobs, or dramatically change the lifestyle and living environment that they have been accustomed to (Worthington, 1985). The labor force is now and will continue to be less willing to relocate, re-train or change occupations. At the same time the economy is demanding more

flexibility and dynamism.

The Environment: What do we Know

The contingent workforce has grown for sound understandable macroeconomic reasons. Among these are: (1) a shortage of qualified workers, especially in the forecasted growth industries where demands for skilled clerical and technical workers exist; (2) rapidly changing technologies in many fields which necessitate new worker skill upgrades; (3) cost control demands and requirements for managers in business and industry to keep a trim full-time labor force; (4) increased productivity which often results from temporary employees which tend to be more productive than permanent employees; and (5) innovative long range corporate planners implementing temporary staffing to compensate for fluctuations in business cycles.

Recent figures (Office, 1990, pp. 56-59) do indeed show that use of contingent workers has increased overall. As reported in Office (1986), the rate of occasional use of contingent workers jumped from 47.6% to 71.2% over a two year period, 1988-1990. The percentage of those firms reporting to have used contingent help fell from 10% to 8% in 1990. One possible explanation for these figures could be in the manner in which a contingent worker is employed and compensated.

Reasons for Using Contingent Employees

As automation of offices continue to occur and with businesses looking to cut costs, manpower planning for peak demands and special projects have gained increased popularity in the business

world. While special projects is often cited for using contingent help, results of a "1988 Salary and Employment" survey (Tempforce, 1988) found that contingent labor continues to show significant overall potential, and firms appear to now regularly budget for these workers. This is a significant change in management behavior.

According to Macauley, (1986):

in order to maximize efficiency, the cost of permanent personnel can no longer be viewed as a "fixed" expenditure. Instead, managers now recognize that it is wiser to maintain a lean permanent staff and build temporary help usage into their budgets. Today a company that lacks a budgetary line item for temporaries is the exception rather than the rule (p. 61).

Macauley suggests that the contingent worker will cost the employing firm less than if it would hire a permanent employee. If used as a source of contingent labor, a temporary services agency "charges customers only for actual time worked by the contingent. We also take care of temporary wages, payroll taxes, social security, workers' compensation and benefits" (p. 62).

Reasons for using contingent workers (Office, 1990) include:

(1) vacation replacements - 55% to 60.5%; (2) use during peak periods, down 53% to 44.5%; (3) use of contingent workers on one time projects increased from 44% to 47.5% (pp. 56, 58).

Contingent workers are attractive to many businesses as a way to cut expenses. But there has been much debate in recent years, if this is really so. The training and motivation needed by these workers to perform at peak capacity (McCarthy, date unknown) are issues that are now being scrutinized as increased use is made of

contingent workers. Questions raised include how will regular workers react to the use of contingent workers to reduce the size of the regular workforce and will this be perceived as taking away jobs from regular (often unionized) workers. Many union leaders are questioning the legal ramifications of using contingent workers (i.e. cutting hiring of permanent workers; seriously interfering with collective bargaining by office employees) (Lueck, 1985). These and other conceptual issues will form the basis of the survey of selected representative businesses.

The Emerging Labor Force: Who is This Changing Worker?

The dynamics and characteristics of the general workforce is also changing. First, the workforce is experiencing slower growth; it is aging on average; more females, more minorities and more disadvantaged workers are and will be continue to be prevalent (Kutscher, 1987).

Minorities. Non-whites will make up 29% of the new entrants into the labor force between now and the Year 2000 (Johnston, 1987). New entrants into the workforce will also include immigrants, numerous minority groups (typically with hard core unemployment histories), and women desiring to enter or return to the work place (Yancey, 1988; Kutscher, 1987; Lueck, 1985; Blaine, 1986) all of these groups typically have difficulty integrating into the mainstream workforce. Minority groups face numerous obstacles to entering the mainstream workforce. High on the list is basic literacy -- a well rounded basic education -- and specific skills training. Secondly, is the unfortunate fact of

location. Minorities are often geographically located where the jobs are not (Ihlanfeldt & Sjoquist, 1990). Hence, when the economy falters, as it is during this study, these groups suffer (Levine, 1990 [a]). At the same time, there will be a decrease in the number of white males entering the workforce, decreasing from 47% in 1987 to 15% in year 2,000. Fewer new young workers will enter the workforce, as the "baby-boom" generation reaches middle-age (Kutscher, 1987).

Women. Another non-traditional population who is and will continue to be a predominant segment of the workforce is women. In 1987, it was reported that two-thirds of all contingent workers were women (Brophy & Walsh, 1987). Women will continue to enter the workforce in greater numbers over the next several decades. Women entering the workforce has increased rapidly over the past decade. Two thirds of the new workers will be women, and 61% of all women of working age are expected to have jobs by the Year 2000 (Johnston, 1987). However, the nation has not fully recognized the implications of this trend and has not adapted to it. For many years, women were not given the support of health care coverage, policies on child care, and sick leave and other welfare issues, so that there jobs as well as their families could be protected.

There are many reasons for the increase of women in the workforce. A significant reason is that women have joined men in level of education attained. Women are seeking careers of their own. The increased mobility of our society caused by job relocation not only has made a major impact on the characteristics

of the general workforce, but it has affected women entering the workforce, and the proportion of women entering the contingent workforce as well (Macauley, 1986). In a Pennsylvania State University study (Guinn, 1989) sixty percent of all employee transfers involved dual-career couples; and will increase to 75% in two years. As families move from one location to another, becoming a part of the contingent work force has often assisted in a woman's re-entry into the workforce.

Secondly, due to an increase in the necessity of having a two income family in today's society, women have entered the business world. More and more highly educated and trained women are opting for contingent jobs, so that they can spend more time with raising their children. By entering the contingent workforce "her experience and educational level are helping to boost the expertise of the contingent workforce as a whole, while simultaneously altering the composition of that workforce" (Macauley, 1986, p. 62). Simultaneously, however, the woman's workforce is changing due to technology. This will have an impact on the role and education that a woman must play and possess to succeed in the coming years (Hartmann, H.I., et al., 1986).

Women in the workplace has raised some interesting issues for the entrepreneur, such as organizational work structures (i.e. job sharing and flexi-schedules) (Butruille, et al., 1989). The issues extend into benefits plans such as child care assistance, and parental leaves. Advancement opportunities have also come under scrutiny. This study explored all of these practices by small

business, and experiences relative to these issues by contingent workers.

Women above the age of 30 and retirees re-entering the workforce, made up 30% of the entire contingent labor pool in 1985. Sixty-percent were between the ages of 18 and 30 years old, many of them seeking short-term jobs while in higher education or pursuing long term career goals (Lueck, 1985).

Retirees and older workers. Certain facets of the U.S. population will become prime candidates for the contingent work force. During the 1980s many older workers reaching retirement age opted for early retirement, or were involuntarily retired due to mergers, increase foreign competition, and severely depressed markets. In many cases these individuals were looking either to supplement their retirement income, or continue their productive life style (Beiswinger, 1989). The senior workforce has increased, and will continue to increase in proportion in the contingent workforce. These workers, possessing a wealth of talents and experience are in desperate need by business, especially small business. They also serve a real void in the public education market as part-time educators (Sutko, 1991). At any level, professional or support, the mature worker enhances the labor pool due to their expertise, wide range of experience, and their knowledge and skills. Often the business hires the worker back, onto its workforce through temporary services firms, by simply placing them on the temporary services company's payroll (Beiswinger, 1989).

Minority youth. Again, non-whites will make up 29% of the new entrants into the labor force between now and the Year 2000 (Johnston, 1987). The Hudson Institute's Workforce 2000 report under the guidance of Johnston, also suggested that employers report that minority workers not only lack satisfactory schooling and on-the-job-training, but also have language and attitude problems that prevent them from taking advantage of the jobs that do and will exist. Without substantial public policy change, blacks and hispanics, and others will have a smaller fraction of the jobs in the Year 2000 than they have today, while their share of those seeking work will rise (p. 114).

It is my belief that the contingent workforce offers excellent opportunities for the non-traditional worker such as women and other minority group members to enter into the mainstream workforce. Many minorities who do have contingent jobs, for the most part, are probably employed in low skill level jobs in such areas as the fast food industry. McDonalds Restaurants for instance, is the largest employer of youth in the country. By the Year 2000, over fifteen percent of the entire American workforce will be blacks, hispanics and other minorities (Johnston, 1987 p. 89). Mabry, (1989) finds that In McDonalds' run stores; 1) 36% of crew workers are black or hispanic; and 2) 28% of managers are black or hispanic. Of the approximately, 6,000 franchised stores, about 14% of these franchisee owners are black, hispanic or female (p. 46).

If the contingent workforce is to serve as a vehicle for

upward mobility via entry into the mainstream workforce, then the McDonald's experience must serve as a bench mark of potential and/or success. Most minority and youth workers do not advance to management in McDonalds Restaurants. These jobs are for the most part-time, and there is an annual turnover rate of 70%. The major reason for this large turn-over is the limited pay these contingent workers receive. Most offer slightly more than state minimum wage. Secondly, there is little preparation for, or incentive for advancement. This is exacerbates an already major problem for minority youth. For unskilled city kids, productive work is one of the only ways to stay out of trouble.

Immigrants. The U.S. General Accounting Office (1988) data indicates immigrants are a growing share of the labor force. Levine (1990 [b]) describes the immigration patterns in recent years. From 1980 - 1986, 5,000 immigrants from 18 countries came to New York City, mostly from the Caribbean, Latin American, Asia and Africa. They have filled low-skilled but crucial health-care jobs and their work contributions have actually preserved the garment industry. New York City needs younger workers to balance a native population that is aging and shrinking in size. The immigrants form networks, whereby they find jobs, social services, and housing. Occupations vary from physicians, to knitters, building superintendents, garment workers. However, they are of working age. Some 60 percent are in the prime working years of 25 to 44 (p. A-1, B-4).

Among non-whites, employment rates tend to be higher in

foreign born groups than in corresponding native-born groups. For example, based on the 1980 census, 65% of black immigrants over 15 years old were employed, against 53% of native born blacks in the same age group, and that 65% of Asian immigrants were employed in contrast to 56% of native-born Asians (Levine, 1990 [a], p. B-4). These statistics also indicate non-immigrant New Yorkers of working age declining by more than 300,000 in the 1990s.

Hostility has always been a major problem between native and foreign born. Native Americans feel that the immigrants are taking away their sources of employment. Although immigration triggers fears of job losses and earnings stagnation, the evidence suggests that, on balance, levels of immigration of 450,000 - 750,000 will actually benefit the country. It must be noted however, "half a million New Yorkers of working age do not have jobs and are not even looking for them, despite living in a city that generated 350,000 new jobs in the 1980s" (Levine, 1990 [a], p. B-4).

Levine (1990 [b]) describes the social patterns of immigrants and how they are being absorbed into the workforce. While economists believe there is some competition between the foreign and native born for jobs, they disagree on its magnitude. Some say immigrants have carved out their own sections of the economy, notably in personal services and manufacturing, while native-born minorities are more likely to be government workers. When they do work in the same industries and businesses, the two groups often focus on different markets. On the other hand immigrants are not often subjected to the same degree of discrimination as native born

blacks, and have made inroads in some service industries that have resisted black workers. As more immigrants arrive, it perpetuates more goods and services. Without immigrants, the garment industry might not have been able to find the workers it needed to sustain the industry.

A detailed analysis of immigrants' entrance to the workforce was detailed by the Hudson Institute, for the Workforce 2000 Report, (Johnston, 1987). A misconception exists in the perception that the increased number of immigrants into the country will mean less jobs for the community as a whole. On the contrary,

Studies of the Los Angeles labor market, where more than 1 million foreign-born persons settled during the 1970s, show that job growth was well above the national average during the period and that unemployment fell below national rates. Although manufacturing wages were depressed as a result of the immigrant influx, service industry wages, in which native-born American were concentrated, rose faster than the national average. Since immigrants to LA have been less-educated and more numerous than those expected nationally, over the next 13 years, the L.A. experience is a persuasive argument that immigration need not overwhelm the carrying capacity of the country. To some extent, immigrants are complimentary to, rather than in competition with native minority workers.... with increase in young workers especially immigrant workers, the area will be more likely to attract new jobs and self-reinforcing economic growth, if immigration rises and if these immigrants succeed in the labor markets in later years (pp. 93-94).

Often the latest immigrants have followed older ethnic groups into specific industries and occupations. Ownership of fruit stands have been passed from Italians, to Jews, to Koreans. Restaurant ownership is changing from Chinese restaurants to Greek Coffee shops, to an emergence of South American establishments. The garment industry originally dominated by Jews and Italians are

changing ownership to Dominicans and Chinese. Jobs formerly held by Eastern Europeans and Israelis in the taxi industry have been taken by Haitians, Dominicans, Africans and Arabs (Levine, 1990 [b]).

Immigrants take on contingent jobs until they learn to speak English and are able to find jobs that they have been trained to do in their native country. Upon entry to the U.S. they take available jobs until ready to find new more highly skilled jobs.

Professionals and Executives

The potential labor pool for contingent workers consists of a wide spectrum of skilled and unskilled individuals. On one hand, there are professional retirees seeking to keep active; on the other hand there are women who are highly trained and educated desiring to enter the workforce. Professionals represented include lawyers, engineers, computer specialists, and others highly trained. There has been an increase in the use of technical specialists and engineers as contingent workers in various electronics and defense industries due to the fluctuation of work loads and contract uncertainties (Carey & Hazelbaker, 1986).

Lewis and Schuman (1988) trace the evolution of the temporary service agency from its inception in the automotive industry during World War II, providing firms with highly trained individuals to its current role in the labor arena. In the beginning, the automotive industry sub-contracted crews of engineers and draftsmen through engineering services known as "Job Shops". Eventually the shops evolved into personnel services with an attractive

alternative for the short-term such as; re-entry people who desire to update and refresh their skills quickly; as well as retired and older employees who need to supplement a fixed income or want the mental stimulation of a job.

This labor pool is adaptable by nature to changes in work style. Their needs for benefits are quite different from the mainstream workforce. This can explain why some 5 million people chose to work as contingents in 1984 according to the US Dept of Commerce.

As a contingent worker, the professional can often analyze problems easier than a regular employee, since the person can be more objective and not let emotional ties get in the way of solving problems. "People tend to talk to you much easier about problems because you have no vested interests. As a result, you can usually help point out problems more effectively than others who are there day in and day out (Fanning, 1990, p. F. 25).

Professionals and executives become motivated for a change in working situation and/or environment for they desire to relieve their boredom of their present or regular job. "I like the excitement of creating a whole new thing - of going in, finding the problem and actually fixing it... at the first company I worked for as a temp, I set up an entire computer system. But it would bore me to tears to have to sit there and run it. - the challenge for me was in getting it up and running" (Ibid).

Saaco (1985) stresses that there is a broad recognition by many professionals that contingent employment is a credible and

convenient way to earn an income. Freedom and flexibility are the two most frequently cited reasons for working contingently.

Unskilled & Semi-skilled Workers

Industrial and manufacturing. At the same time that there has been an increase in skilled labor in the contingent workforce, there are also many unskilled individuals also entering that same workforce. Assembly workers in manufacturing industries represent a portion of the contingent workforce (Uchitelle, 1988). The nature of some jobs in the manufacturing industry is very repetitive. Many contingent workers are employed in this industry for short-periods of time, which assists to keep the production levels at steadier rates. The regular workforce is more likely to get burned out, and become less efficient on the job. "The demand for industrial temps (sic) can be both seasonal and cyclical. Few workers in industrial occupations are full-time temporaries and the field is dominated by males" (Lewis & Shuman, 1988, p. 28). Contingent workers in this sector earn less than their regular full-time counterparts. This is due to the fact that there is a high turn-over rate of unskilled contingent employees, which increases the cost of the temporary service agency to provide these employees to the manufacturing industry.

Contingent Employees working in the Federal Government

Over a quarter of a million contingent workers are employed by the federal government; some of them on a full-time basis. Their period of employment is usually stipulated for either a 3 or 6 month contract, and are automatically renewed if not canceled.

Local governments also use contingent workers. One of 6 people employed by Los Angeles County is a contingent worker (Uchitelle, 1988).

One source of federal contingent workers are students and others seeking additional income via the military reserve. A very popular reason for being a part of this contingent workforce is the educational benefits that the reservists are entitled to under the G.I. Bill. "Serving one weekend a month and two weeks a year, they earned \$140 a month for school under the Montgomery G.I. Bill of Rights, a 1984 law that provides educational benefits for reservists and for those who had been on active duty" ("College Reservists", 1990, p. 34). As witnessed in the recent "Desert Storm" activation to duty, for many Americans this is the primary means to pay for a college education and to receive training in certain high skill technical areas.

Other Opportunities

Increased opportunities will also be reflected in part-time, flexible and stay-at-home jobs, all jobs which are common to the contingent work force. The average work week has dropped from 40 hours in 1948 to less than 35 today (U.S. Dept of Labor, 1986). As services are usually performed when and where the customer desires, the trend toward flexible schedules, part-time workers and shorter hours is likely to continue (Johnston, 1987, p. 61). Canape (1990) suggests that many retired people, women, or students have chosen to work on a contingent basis out of their homes, i.e. telephone marketing, or catalogue sales. Twenty-seven million

people work out of their home either full or part-time, and one-third of all new businesses registered in 1988 operate out of the home. Opportunities have flourished based on an individual's interest, and a desire to be one's own boss. Others take on seasonal work, landscaping, maintenance repair, to augment one's major income. Smith (1985) summarizes the appeal of voluntarily becoming a member of the contingent workforce. "You shape these enterprises to suit yourself, contracting yourself out and then putting in as much time and effort as you desire. The jobs available may vary according to the locale and time of year" (p. 85). Part of this segment of the contingent workforce includes parents who work when their children are in school; students whose availability compliments that of their working parents or college graduates; and college graduates who find temporary work.

A focus of this survey was also upon the benefits structures of the contingent workforce. Certainly a major reason for small business use of the segment of the labor force is a cost savings to the firm. As such, it would be reasonable to hypothesize that a contingent worker's wage or salary and accrued benefits would be low and few, if any. A review of the literature concerning salary and benefits was undertaken in order to discuss areas of inquiry for the two surveys. Findings are as follows.

Salary or Wages

With the increased use of contingent workers across the country, The Bureau of Labor Statistics (BLS) in 1987, (Williams, 1989) saw a need to commence collecting data on occupational pay

and employee benefit provisions in the industry. The following are the findings of the initial study.

The BLS study focused on 100 individual job classifications, indeed a large sample of the contingent workforce. This sample was used in order to get an accurate picture of the earnings of the contingent worker, thus allowing the government as well as other labor researchers to have a baseline for comparison between this sector and the regular workforce. The overall data suggested that there was a extensive range in pay rates according to the types of jobs held by contingent workers. This study confirmed that there is a wide diversity of contingent occupations being used by business and industry, and depending on the contingent worker's skill and technical ability, the level of pay is adjusted accordingly. "Group averages ranged from \$4.65 an hour for operators, fabricators and laborers, to \$16.96 for professional specialty occupations which included engineers and registered nurses" (Williams, 1989, p. 3). In addition, depending on the location of the contingent worker, the local wage rates for contingent workers varied. This study also confirmed that general office clerks represented the largest job classification with an average of \$5.11 an hour. Zinn (1988) confirms that executives who work on a contingent basis are paid equal to their full time colleagues.

Carey and Hazelbaker (1986) reported that contingent clerical workers', salaries were usually at lower wage rate than regular workers. But, the cost to the firm using the contingent worker may

be as much or more than the total hour cost of the businesses permanent worker (p. 40). Kirkpatrick (1988) confirms that the cost of doing business with a temporary service firm may cost more than providing benefits for lower skilled regular workers, but may be more beneficial to large businesses who provide extensive benefits to their regular employees. The temporary service agency incurs more administrative costs when filling unskilled or semi-skilled jobs. These jobs have a high rate of turnover due to the monotonous nature of the work and therefore more time and effort (i.e. recruitment, transportation) must be exhausted in order to fulfill the needs of their clients. The direct outcome of this extra cost is that the worker receives a lower rate of pay than a counterpart in the regular workforce. Conversely, contingent workers in the engineering and technical field can earn more than their counterparts in the regular workforce (Carey & Hazelbaker, 1986, p. 41).

Uchitelle (1988) describes how the increased use of contingent workers will affect, in general, the average salary of all employees. Since many contingent workers receive less pay, this will encourage employers to hold the line in the amount of increases it gives to its regular workforce, thus controlling the demands for higher wages made by the regular workforce. It will also account for a slower rise of wages for regular employees.

Benefits

The temporary service industry describes the overall cost of employing a contingent worker as less than a regular employee.

They base this view on the fact that their clients do not have to pay benefits to their contingent employees. Even though the contingent worker sometimes receive higher hourly wages than permanent employees in comparable positions, their fringe benefits rarely match those of the permanent workers (Lueck, 1985).

The contingent worker is often associated with little or no benefits. This is especially true when the contingent worker is hired directly by the employing firm or organization -- and possibly less so when hired via a temporary services agency.

Uchitelle (1988) stresses that the lack of benefits (health care and pensions) for contingent workers will put a strain on the public sector to provide these services. Kirkpatrick (1988) in interviews with labor economists suggest that if the labor arena is going to be flexible then the social welfare system needs to be flexible as well, otherwise significant numbers of people will not receive any benefits. Russakoff & Skrzycki (1988) reported that since so many persons under the age of 65 do not have any health coverage (approximately 35 million people), Congress is currently considering legislation to mandate coverage for much of the workforce (p. A-18).

The temporary services firm (see page 39 for details) provides benefits for their employees when they place a contingent worker in a business. "The full time temporary works a 40-hour week and receives benefits similar to those found at most corporations -- vacations and holiday pay, and insurance, available through most temporary service firms" (Struve, 1985). This is true for the

full time temporary, but for those who work intermittently it is quite difficult to meet the minimum requirements regarding length of service to receive these benefits. (Williams, 1989, p. 5). Most large temporary service firms such as Manpower, Olsten Corp. and Kelly Services offer some of the benefits of full-timers; job training, paid vacations and cut-rate insurance plans (Russakoff & Skrzycki, 1988, p. A-18.). The National Association of Temporary Services (NATS) suggests workers earn one day off plus Christmas after 500 hours of work per year (Seixas, 1988, p. 92). Seixas also reports that through a temporary service agency, an employee may receive major medical insurance, where half of its cost would be deducted from the contingent workers wages (p. 92). A negotiating tool for a long-term contingent might be to arrange through the temporary service firm a way to pay a monthly premium (or a portion of it) in order to be covered by the same health plan that is used for permanent workers on the staff of the temporary service firm (Lewis & Schuman, 1988, pp. 83-84).

According to the 1987 BLS survey, one quarter of the contingent workers surveyed had employers who paid part of their medical insurance coverage. The workers usually had to work less than 500 hours to receive this benefit. One fifth of these workers were provided life insurance by their employers. Over half of the workers received some type of job training and almost one-fourth received transportation expenses. However, child care and credit union membership was severely limited and only applied to approximately 2 to 5% of the total contingent workforce (Williams,

1989, pp. 5-6.).

The Bureau of Labor Statistics found that the medical temporary services industry usually provided malpractice insurance; and some also provided health and life insurance. The benefits however were very basic and did not measure up to those provided by typical health employers. Engineers are usually offered paid vacations and holidays, and medical and life insurance at group rates (Carey & Hazelbaker, 1986, p. 41). It appears that if certain contingent workers are in demand, and the economy is healthy more and better benefits are offered (Russakoff & Skrzycki, 1988).

It is important to understand what responsibilities temporary service firms have to their employees. The temporary service firm recruits individuals to their firm. They screen applicants for temporary jobs, check references, administer tests, and determine qualifications of each of these individuals. The temporary service firms match up their employees to their customers (firms looking to hire contingent workers). "They have full responsibility as the employer even though the employee is working at the customer's place of business. They hire and fire, issue paychecks, withhold payroll taxes, and make required employer contributions to unemployment insurance and social security" (Carey & Hazelbaker, 1986, p. 37). They are also responsible to ensure that the workplace is safe and meets all health codes and follows all EEO rules and regulations.

A possible solution to the needs of contingent workers to

receive benefits is the concept of Employee Leasing (King, 1988). An employee leasing firm enters into a contract to hire former employers of a company and then lease them back to their original employer. The leasing firm is an intermediary between the other two parties. The advantage of this program is that the personnel are hired on a permanent basis and they are eligible to participate in any benefits and retirement programs. A summary of the pros and cons for both employer and employee is listed below (King, 1988, p. 68).

Employee Leasing: Pros & Cons for both Employer and Employee

For Employer

PROS

- o Employee Leasing Company (EL) takes over recruitment of personnel and most employee-related administrative duties
- o Can make your company a more desirable place to work because of additional employee benefits
- o Provides more flexibility for you to develop your own customized retirement plan
- o Relieves you of postemployment health insurance obligations

CONS

- o Can result in higher salaries
- o Must go through EL Company to hire and fire
- o Employees' loyalty may be split between you and EL Company

For Employee

PROS

- o Can provide a more comprehensive benefit package
- o A preemployment salary review can result in a wage increase
- o Ombudsman relationship with EL company
- o Job mobility without losing benefits or seniority
- o Opportunity to remain employed while considering a career change

CONS

- o May feel resentment from co-workers who are not working as leased employees
- o May lose benefits if EL firm is mismanaged and goes out of business
- o Must insure that EL firm or client pays pension benefits

Source: Black Enterprise, 1988, p. 68.

What Kinds of Benefits are Sought by Contingent Workers?

"Most contingent workers, especially women, prefer flexible

hours, sick leave with the ability to use it to take care of sick children and immediate family, pregnancy leaves, and more part-time work. Seventy percent would prefer part-time work, stay at home jobs, or flexible work hours; yet only 5 out of 10 have these opportunities" (Johnston, 1987, p. 113). In addition, the contingent worker wants to be respected for the abilities and skills they bring to the job. The Workforce 2000 report encourages the federal government to reconcile the needs of women, work, and families. Suggestions to reach this objective includes providing incentives to business to employ part-time workers by reducing the cost of employing these workers (i.e., lowering the threshold for Social Security and unemployment insurance taxes). Day care is also an important benefit. It has been found that there is less absenteeism, and the workers are more productive, knowing that their dependents are well taken care for. Extending tax credits for day care will increase recruitment of workers, especially women (p. 113).

Employer training and career development for contingent as well as regular workforces is a sought after benefit. Employees look for training experiences in contingent assignments, and training opportunities, so as to be able to establish career tracks (Guinn, 1989, p. 39). "Temping" can provide a worker with business experience, develop valuable networking contacts, and fine-tune professional skills (Lewis & Schuman, 1988, p. 87). It needs to be pointed out that "temping" does not give one experience in management. Rarely is a "temp" hired for managerial positions.

"We don't know enough about all facets of the firm to be effective managers" (Seixas, 1988, p. 92).

The Contingent Worker and Working Conditions

The attitudes of the regular workforce regarding contingent workers have gone through a series of changes due to the development and growth of the contingent workforce industry. Contingent work is usually described as short-term, with the worker being treated as an outsider, and being alone in the workplace. A lack of sufficient time and respect prohibits the building of working relationships with regular workers and employers. "As a temp you are viewed as someone with no attachments to your co-workers or the company; therefore they dismiss you as unimportant or a person regular employees don't have to worry about" (Lewis & Schuman, 1988, 82). The contingent worker feels as a person with no job history (Kanner, 1990). Lewis & Schuman (1988) suggests that this attitude is more likely to occur in the office setting, than in industrial, health-care and technical areas. This attitude by some permanent or regular workers makes it more difficult for contingent workers to be accepted in the workplace.

Contingent work creates an atmosphere of uncertainty and change, and puts stress both on the contingent worker and employer. Companies most often hire contingent workers in times of peak demands, avoiding permanent relationships.

"We'd rather have a distant relationship with that buffer work force than a close one because of our concerns about promising too much. The longer you're uncertain about your future business requirements the more frustrating it is to have someone from whom you expect commitment by whom you're unwilling to commit a job to. We feel that

we should treat the temporary employee as we'd treat another person, but it's an uncomfortable relationship. If they're part of the team, why are they on waiver every morning? (Kirkpatrick, 1988, p. 112).

The question that arises from these conflicts is "How do you integrate contingent workers and full-time employees" (McCarthy, date unknown). One answer is to treat them much the same as full timers by involving them in company social functions.

Training and the Contingent Worker

The key concerns of businesses employing contingent workers are quality of training, screening, and the need for more skilled workers (Office, 1990). Corporations employing contingent workers are at odds at the amount of training contingent workers should receive in the workplace. Using contingent workers provides more flexibility in an organization; yet it may cost more, due to the increase need for closer supervision of these employees. Concerns have been raised as to the methods that should be used to maintain productivity and performance when employing contingent workers. It has been found that productivity can be effected by an unstable working environment (Kirkpatrick, pp. 112, 116). Contingent workers may not share company loyalties, nor are they usually motivated by incentives offered by the company (i.e., raises, promotions) (McCarthy, date unknown). A different view regarding productivity and the contingent worker is raised by Sacco (1985). He suggests that because contingent workers are productive, they are relied on heavily by management when there are peak production periods with specific tasks to perform; and they are usually given assignments that keep them busy and working.

In addition, Richard Belous a labor economist at the Conference Board, a non-profit business research organization, suggests that a significant amount of training is needed to obtain high quality work (McCarthy, date unknown). Managers have to teach contingent workers about the company's culture as well as offer rewards and opportunities for advancement usually reserved for full-time workers. Its going to require some training and money to make them productive. It is also suggested that employers need to make contingent workers feel that they own the project, that they are working on. Team building is essential for high quality work. Training improves performance of low-skilled workers as well (McCarthy, date unknow). To lower the cost of training contingent workers, some corporations such as Federal Express have established their own in-house contingent workforces who are already familiar with the procedures of the organizations. These workers are assigned throughout the company as needed.

The temporary help industry claims that "together with increased job specialization, emphasis on training, and an absolute penchant for quality, the industry has risen to new prominence and carved a permanent niche in Corporate America" (Balsamo, 1989). Many temporary agencies specialize in specially trained contingent workers. Others have established training divisions, preparing contingent workers with the skills they need to be successful in the workforce. "The emphasis on training is paramount because these companies know that they must be fully capable of meeting the demands of customers in order to stay competitive" (Ibid).

Macauley (1986) suggests:

training is not really our business. The temporary service industry provides programs and incentives to contingent workers to upgrade their skills; however, this is not the same as training a novice employee to quickly and competently use a client's word processing equipment. Training should be done at the trade, secretarial, technical and vocational schools, and with other employment training facilities. (pp. 62, 64).

Shanker (1991) President of the American Federal of Teachers suggests that companies are filling their demands by employing contingent workers that are usually low-wage earners, who do not receive fringe benefits or build up job seniority. Employers are most interested in employee attendance and attitude rather than rationale thinking on the job. Furthermore, Shanker feels that because employers can not get the specialized help they need, companies are deskilling their jobs. He emphasizes the need to have students succeed in attaining skills that will make them employable, and this training should continue into the workplace, thus involving employers in the attainment of skills. Dreyfus recommends that employers must "be willing to train - you will be happier with the new workers' performance and they will be more loyal to you" (p. 176).

The contingent workforce can provide an opportunity to alleviate the trends described below.

"Those with less education will continue to have more labor market problems and less opportunity for advancement because they frequently do not have the education or training to adapt to the continuing changes in employment resulting from technology advances and changes in the structure of demand and to the employment displacement which may follow these changes. The fact that large numbers continue to drop out of high school clearly signals that an important problem remains. As

pointed out earlier, black and hispanics are disproportionately represented among those with less education and are projected to account for an increasing share of workers. Occupations that are generally filled by young workers such as food service, retail sales, and construction labor are projected to continue to generate many jobs and as discussed earlier the declining number of young workers could offer the opportunity to improve the youth labor market solution. (Kutscher, 1987, p. 8)

Types of Jobs in Temporary Service Field

Office automation has increased the number of jobs in business support occupations including computer/data analysts. For instance, desk top publishing has become a widely used automated system in the business world. Instead of hiring a full time, highly trained individual, some companies hire contingent workers to support projects using the advanced equipment. "Since it simply isn't cost effective to keep a high-salaried permanent operator on board, they hire trained desktop experts on a project basis" (Beisinger, 1989, p. 56). "New technology is continually creating new skill requirements at a significantly faster rate than the workforce can respond. The result is that it takes employers longer to fill their permanent job openings" (Macauley, 1986, p. 62). Kirkpatrick (1988) while interviewing personnel administrators found that if a company does indeed want to hire a technical person on a full time basis, it might be difficult to locate such a person quickly. Therefore they resort to a contingent worker fulfilling their requirements, until an appropriate person is found.

Many job classifications have been identified in the contingent worker field. As mentioned above, computer/data

processing specialist is one field. Others include word processing operators, secretarial, accounting/financial, clerical/filing, record management, assembly workers, and highly specialized fields including legal and engineering. The Office has followed business and industry in its employment of contingent workers by job classifications. According to the latest statistics provided by the reader survey, (Office, 1990) from 1988 to 1990, computer-data processing jobs have decreased - 41% to 31.5%; they also report an increase in use of word processing operators, 36% to 46.5% and an increase in secretarial jobs, 54% to 59%, (p. 56, 58).

The Temporary Service Firm - History
and its Influence on the Labor Pool

Up to this point we have discussed the characteristics of the contingent workforce and how it has changed in the past forty years. An individual who wishes to work on a contingent basis may or may not take advantage of a temporary service firm. The Bureau of Labor Statistics reported that there were one million contingent workers, working through temporary service firms. But this does not include many that are hired directly. For example, the federal government and related agencies hired 300,000 contingent workers (Russakoff & Skrzycki, 1988, p. A-118). What is a temporary service firm and how does it operate? Temporary service firms provide a "service". They are not "agencies." Agencies are a whole other entity. Agencies are in the *business of finding jobs*. The employment agency exists the scene when the job seeker has been placed in a permanent position. Temporary services firms are in

the business of placing the people registered with them on contingent work assignments in the business sector. They can continue to work with these contingent employees indefinitely. The business firm pays the temporary service a fee. In turn, the service pays a part of the fee to the worker - the amount of the payment dependent on the type of work involved and the skill of the worker in carrying out the assignment. These firms act as agents for its contingents and personnel director for its clients (business firms). The temporary service firm matches contingent workers with available jobs including screening, testing, and at times, training (Smith, 1985, pp. 11, 97).

We need to look at what role and influence these firms have had in providing contingent workers to business and industry. By gaining insight into the functions of these firms, we can better understand the relationship between contingent workforce and the business community.

Kelly Girl founded in 1947 was one of the first temporary service firms in the United States to provide trained workers to operate business machines that the founder rented to business and industry. At about the same time, Job Shops were established subcontracting technical engineers primarily to the rapidly expanding automotive industry.

Job Shops

Job shops primarily specialize in the engineering and technical areas of the temporary service industry. Today, they function in the same way as temporary service firms however they

usually are national in scope, many times dealing with international markets. Job shops, however provide several applicants to their clients. In addition, they may offer in-house engineering and technical services and the work itself can be done on their own premises. Organizations that contract to perform engineering services are also customers. The period of performance is usually known well in advance (Carey & Hazelbaker, 1986, p. 41).

Effects of Automation and Change on Temporary Service Industry

Lewis and Schuman (1988) describe how automation and change has also dominated the work place. A study by Xerox Corporation in the mid-1980s showed that a word processing or PC station is currently on 1 out of 5 office desks, and that by 1989 3 out of 5 is predicted. Rapid automation (availability of sophisticated hardware to speed up the efficiency and capability of the firm) occurred in the late 1970s and 1980s, but there was not enough trained manpower to run the machinery. The typist employed by the firm was quickly trained to use computers. To keep up the efficiency and productivity mandated by the new hardware, many companies turned to the temporary service agencies. These agencies saw an opportunity to train clerical and other personnel on the new automation equipment, and to provide firms with these employees. The goal of temporary service agency was to train unskilled contingent workers, as well as to up-grade and cross-train contingents with existing skills - thus increasing the overall supply of available contingent workers. Many of these workers became better versed in the use of the machinery and software than

the regular employees. The mid-1980s saw the rise in the use of conversion teams, a team of contingent workers who came into an office to set up equipment and systems for permanent staff and then trained them in its use. In a short span of twenty years, the nature of and supply and demand of temporary workers had changed dramatically. Many companies require specific kinds of technical employees to complement their work force, provide short term technical competence for their work force, and hopefully train the permanent staff in their areas of expertise (Berk-Levine, 1986; Struve, 1985).

Manpower, Inc., one of the largest temporary firms in the country, has undertaken a significant effort to train contingent employees on computer software, providing their clients with a highly skilled labor pool. An extension of this training effort is Manpower's collaboration with IBM in selling hardware and software to various companies. Office automation specialists (Manpower, Inc. employees) demonstrate the equipment to the prospective buyer. With a purchase, Manpower makes a commission. Manpower provides training to the company (from the commission paid by IBM) at no charge. It is a way for the temporary service firm to network into organizations that use computers and highly technical equipment. Thus this firm becomes a potential client for future service. It gives Manpower, Inc. a psychological edge, for the company knows that there are operators available who are qualified to operate IBM products. "Their is nothing more powerful in selling our reliability and capability in terms of providing quality contingent

workers, than to have trained the permanent staff people" (Scheier, 1990, p. 115). In addition to office personnel who train and build personnel relationships, Manpower, Inc. also supplies top management who are responsible for the purchases of hardware and software. Hence, Manpower, Inc. is trying to build a relationship with all facets of an organization, thereby getting well known throughout the company, and increasing their client base.

In an attempt to cut costs and time to train contingent employees, some large corporations which experience changing peak activity periods have established in-house temporary service divisions. 3M Corporation has a reserve of 90 people who are on call to work on various assignments throughout the company. This pool of contingent workers includes former full time employees, retirees, and college students who are willing and able to work for short periods of time (Smith, 1985, p. 87).

Contingent help tends to be hired on a marginal basis. When times are good, employers use more contingent help to shave their cyclic peaks, and when business is slow, then cut back on contingent workers in order to maintain as stable a permanent workforce as possible. During the recessions of 1971 and 1975, the industry dropped faster and further than the GNP, but during the recession of 1980 -82, the industry paralleled the GNP. This surprising strength is attributed to the technical segment of the industry. During periods of growth, the industry out-performed the GNP by large amounts, thus when averaging on a long-term basis, the temporary service industry has comparatively grown at a faster rate

than our economy (Smith, 1985, p. 99).

Through an analysis of the temporary service industry, Carey & Hazelbaker (1986) suggested that "Growth in the industry's employment has come principally from increasing numbers of establishments rather than from increasing establishment size (p. 42). Ninety-five percent (95%) of all contingent workers employed by Manpower, Inc. are women, (Kirpatrick, 1988, p. 116). Carey & Hazelbaker suggest that for short-term employment, both employers and individuals can benefit by using a temporary services firm. The benefits of using a temporary service firm by a company to fill short-term jobs include: (1) it usually costs less than to hire a short-term regular employee; (2) the time it takes to fill the position is shorter, since there is a large labor pool of contingent workers willing to take short-term assignments; and (3) if a replacement for the original contingent worker is needed, the worker is easily replaced. For the individual, the time and cost of finding short term employment will be cut when using a temporary service firm to secure a short-term assignment.

An Ethical Responsibility for Change

Recognizing the problems of a changing structure and size of the typical American business, a changing demographic portrait of the American worker, and a need for human resource development including training of the worker, who is responsible for effecting changes in policy and practices with respect to the preparation and use of the temporary worker?

Workforce 2000 (Johnston, 1987) strongly urges private

employers to become active in the training and development of their workforce.

Private employers have a new and more expensive, role to play in the development of their workforces. Not only are they critically affected by the quality of the workers they will hire over the next 13 years, they are among the most knowledgeable designers and implementers of cost-effective, technology-based training programs. If there are real breakthroughs in training and hiring young disadvantaged workers between now and the year 2000, 'second chance' educational systems developed at the worksites are likely to play a key role (p. 113).

Temporary service firms as noted by their trade association has taken some responsibility in providing this cost-effective technology based training. It realizes that the growth of their industry will depend on how many skilled workers they can provide the business community.

Bronx and New York City businesses wishing to capitalize upon this trend will need to accommodate the worker and his/her family's changing lifestyle through more flexible work structures. Benefits including flexible hours, the use of sick leave to care for children, more part-time work, pregnancy leaves for mothers and fathers and other innovations are costly, but necessary work structures to accommodate the work and family life combination. Potential policy implications might be indicated to encourage and allow American business, especially small business to move toward this need and trend.

National policies have not promoted this flexibility and dynamism, which will be vital in order for our economy to grow and prosper. Suggestions to orient national policies towards a flexible workforce include changes in government policies such as

unemployment insurance - the system should be much more oriented toward stimulating movement and change by workers, rather than simply protecting them against joblessness. It should promote relocation, job training, and job search. Private business and industry need to encourage training on the job to insure that workers are constantly reinvesting in themselves - lifelong education, so that they may not become obsolete. Worker incentives to continue their education such as a promotion of a tax-favored individual training account enable workers to save for their own re-education. Using immigrants, by increasing the immigrant quotas in order to promote dynamism in the workforce. This segment of potential workers, can provides a larger tax base, as well as contributing their highly skilled talents and highly educated backgrounds to the workforce. The ability for legal immigrants to enter the country will provide sources of labor needed to staff a growing economy. Immigrants have entrepreneurial vitality, diverse national culture, a strong sense of identification and provide a link between the United States and their home countries. This group is vital to the economic growth of the 1990s (Johnston, 1987, p. 112).

In order to continue economic prosperity, certain issues facing women in the workforce will need to be dealt with in order for the American economy to grow and prosper. The Hudson Report

delivers the important message, that these issues and concerns must be addressed both by the government and private industry, in order for the workforce to continue to be dynamic and growth oriented. The institutions and policies that govern the workplace should be reformed to allow women to participate fully in the economy and to insure that men and women have the time and resources needed to promote their children's welfare.

If things do not change relatively quickly, the report believes that blacks and hispanics will have a smaller fraction of the jobs by the Year 2000 than they have today, while their share of those seeking work will have risen. Those most educationally advantaged will be in the best position to secure these new jobs. Suggestions to improve the status of minority workers is cited by the Hudson Institute report which include changing both individual attitudes and social institutions. Issues of individual and family responsibility need to be addressed, due to their impact on an individual's employment. Changes in welfare, investments in child care, pregnancy prevention and other social problems facing minorities everyday need to be addressed.

CHAPTER THREE

Methodology

I first reviewed and analyzed the body of literature and knowledge describing the contingent workforce, its use, and potential for solving employment problems for workers and employers. One purpose of this study was to determine the current manner in which business and industry, primarily small business and industry, is currently using the contingent worker. In doing so, we examined the appropriateness of contingent employment as a means of entry into the mainstream workforce for people seeking employment, especially minorities and women, and thus would serve as a form of structured workplace learning which would permit the on-the-job development of a worker's knowledge, skills, and attitudes. Another purpose of the project was to assess the practices, beliefs, and attitudes of the employer regarding the employment of contingent workers.

Specific research objectives were:

1. *To conduct an in-depth review the literature on the changing workforce and its effect on small business with an emphasis upon flexible staffing arrangements and contingent employment.*
2. *To describe the kinds of industries and firms using contingent workers.*
3. *To determine the kinds of contingent jobs existing in small businesses and the characteristics of contingent workers.*
4. *To identify the reasons offered by small business entrepreneurs for employing the contingent worker.*
5. *To identify the reasons offered by the contingent worker for seeking contingent work.*

6. *To identify specific kinds of training and other human resource development interventions currently used by entrepreneurs for preparation of contingent workers.*
7. *To identify the practices and issues of job security, productivity, organization, work structures, and benefits affecting the contingent workforce.*
8. *To identify the potential of the contingent workforce as a means of entry into the workforce for minority and disadvantaged workers.*

Project Design

To address each of the study's research objectives the following processes were undertaken. First, an extensive review of the literature was made to address research objective one. The findings are presented in the review of the literature preceding this section of the report. The findings of the review of the literature served as a basis for the development of the survey instruments used for data collection in this study.

This study employed a two-stage methodology to address research questions two, three, four, five, and six. Initially, a mail survey was conducted of a stratified sample of New York City (including the borough of the Bronx) small businesses, to determine practices, problems, and perceptions of employers concerning the use and employment of contingent workers. Secondly, interviews were conducted with contingent workers using a structured survey questionnaire to determine their experiences and reasons for securing contingent work.

The Bronx Chamber of Commerce supplied a membership list through the Bronx Overall Economic Development Corporation which was used as a basis to survey local business and industry. This

list included member businesses throughout New York City and surrounding areas. The employer survey was mailed to 825 firms representing 24 industries. Table 1 summarizes these firms and industries.

Surveys

A direct mail survey was designed to elicit information from entrepreneurs in both large and small firms concerning their use of contingent workers, and eliciting their experiences with this category of worker.

General topics on the employer survey included:

- a. *type of business, (service [retail-education-government-food-wholesale trade-business services], manufacturing, health, financial-insurance-real estate, trade, transport-utility);
(These will be broken out in the survey)*
- b. *determination of previous and present use of contingent workers in area businesses and the percentage of total labor force represented by contingent workers. Identification of future trends in using contingent workers and why.*
- c. *description of contingent worker (male/female, retiree, college student, recent emigree, returning housewife or single parent);*
- d. *type of occupation (office, executive/professional, skilled, unskilled);*
- e. *average length of contingent employment, and company policy reasons if employees are kept for only short periods of time;*
- f. *percentage of total force represented by part-time labor;*
- g. *sources used to hire contingent worker (agency vs direct hire);.*
- h. *benefits offered including flexible hours, cottage work, etc. and who pays;*

- i. training provided and skills mix obtained via contingent worker; and
- j. size of business, including revenues and number of employees

Table 1

Sample Size of Employer Survey

Industry	Total Number Sent by Industry	Number of Respondents
Retail	204	31
Health	66	8
Communications	47	11
Real Estate	47	10
Construction	41	6
Food Service	39	3
Wholesale	37	5
Transportation	35	3
Other	31	3
Banking	29	5
Insurance	29	3
Industrial Service	26	3
Auto Service	25	4
Maintenance & Janitorial	25	4
Manufacturing	23	6
Electrical	22	5
Contracting/ Plumb & Heat		
Social Service	18	5
Education	17	3
Security	14	2
Travel Agencies	12	2
Legal	11	3
Accounting	11	1
Prof. Assoc.	9	3
Arts	7	2
TOTAL	825	131

The Employer Survey

Survey Execution. The employer survey was mailed to 825 firms listed on the Bronx Chamber of Commerce membership list. The membership list was subdivided into 24 categories as enumerated on Table 1.

The survey was mailed, together with a stamped self-addressed envelope, and after a period of three weeks, a second appeal was made to those non-respondents, together with a second survey form. The survey and cover letter is contained in Appendix A. A follow up of a sample subset of firms was used to supplement the results of the survey by providing an opportunity to validate survey responses.

This employer survey resulted in an overview of the experiences of a large number of businesses which responded (n=131). The second survey was an in-person interview survey of contingent workers in a number of kinds of positions and industries. The second survey produced 135 data sets. Based upon the outcomes of these two surveys, analyses of data were made. I also took an in-depth look at potential explanations for the observed patterns of survey results. Interventions and employment policy implications are suggested and discussed in Chapter Five.

Size of firm. The emphasis of this study was in part on practices of businesses including small businesses; therefore, the method of categorizing a firm as a small business was extremely important. To enable control for how the type of industry might interact with what is considered a "small" as compared to a "large"

firm, the categorization system used by the Federal Procurement Data System was used. The business categorization was based upon the objective size of the firm in terms of revenues and/or employment, and upon the industry within which the firm operates. The industry is identified by a firm's four-digit Standard Industrial Classification (SIC) code. Guidance for this categorization is provided in the Federal Register (1984, February 9). 49 (28) 5031-5037.

Type of business. Firms are classified within the Federal Procurement Data System by product or service code. Codes for firms are drawn from the Federal Supply Classification Codes, a scheme developed and used by the General Services Administration (GSA).

825 employer surveys were mailed; 131 surveys were returned, representing 24 kinds of industries, and a response rate of 15.9%. These industries are listed in Table 2 which also presents specific details such as the number of firms per industry; number of respondents per industry; and percentage thereof. Of the 131 firms responding to the survey, 31 firms (23.6%) were in the retail sector. The retail industry (204 firms) was by far the largest single sector represented in the survey, with 15.2% responding. The second largest industry surveyed (66 firms) was the health industry with 12% responding. The industries in Table 3 are displayed in rank order according to the number of surveys returned from largest to smallest. It must be noted that the response rate does not always follow the rank order displayed in Table 2. Rank

order according to number of respondents by industry and percentage of overall response rate by industry is presented in Table 3. Those industries ranked in the top five are the Retail, Health, Real Estate, Communications and Construction industries.

Table 2
Sample Size of Employer Survey

Industry	total # sent by industry	# of Respon.	% of respondents by industry	% of total Resp.
Retail	204	31	15.2	23.6
Health	66	8	12.1	5.1
Communications	47	11	23.4	8.4
Real Estate	47	10	21.3	7.6
Construction	41	6	14.6	4.6
Food Service	39	3	7.7	2.3
Wholesale	37	5	2.7	3.8
Transportation	35	3	8.6	2.3
Other	31	3	10.0	2.3
Banking	29	5	17.3	3.8
Insurance	29	3	10.3	2.3
Industrial Service	26	3	11.5	2.3
Auto Service	25	4	16.0	3.0
Maintenance & Janitorial	25	4	16.0	3.0
Manufacturing	23	6	26.1	4.6
Electrical Contracting/ Plumb & Heat	22	5	22.7	3.8
Social Service	18	5	27.8	3.8
Education	17	3	17.6	2.3
Security	14	2	14.3	1.5
Travel Agencies	12	2	16.7	1.5
Legal	11	3	27.3	2.3
Accounting	11	1	9.1	1.0
Prof. Assoc.	9	3	33.3	2.3
AFTs	7	2	28.6	1.5
TOTAL	825	131	15.9	100.0

(response rate)

The highest response rate within an industry was by the Profession Association group; (33.3%) one of the smallest industries surveyed. The mailing list did represent a rather comprehensive representation of industries in the Bronx and metropolitan New York area, as Table 1 indicates.

Table 3

Rank Order of Sample Size by Number of Respondents
and Percentage of Total Respondents - Employer Survey

Industry	Number of Respondents	Percentage of total Respondents
Retail	31	23.6
Communications	11	8.4
Real Estate	10	7.6
Health	8	6.1
Construction	6	4.6
Manufacturing	6	4.6
Banking	5	3.8
Wholesale	5	3.8
El/Pl/Htg	5	3.8
Social Service	5	3.8
Auto Service	4	3.0
Maint/Janit	4	3.0
Industrial Service	3	2.3
Food Service	3	2.3
Transportation	3	2.3
Other	3	2.3
Insurance	3	2.3
Education	3	2.3
Legal	3	2.3
Prof. Assoc.	3	2.3
Security	2	1.5
Travel Agencies	2	1.5
Arts	2	1.5
Accounting	1	1.0
TOTAL	131	100.0

The Employee Interviews

The second interview survey was used to collect information from contingent workers themselves. Contingent workers were interviewed (N = 135) using a structured questionnaire consisting of 11 questions designed to ascertain reasons for their working in this capacity. Identification of contingent workers

characteristics was also made. I wished to identify those barriers contingent workers encountered in seeking contingent work.

Recognizing the difficulty in obtaining time and cooperation of busy entrepreneurs and contingent workers, both of the survey instruments were designed to be brief with minimum redundancy, and to focus quickly on the key information necessary to the study objectives. Pilot testing was used to refine the data collection instrument.

General topics on the contingent worker survey included:

- a. *current status of work situation;*
- b. *demographics (age; race; sex; part-time vs full-time contingent worker);*
- c. *social status (married; single-parent; college student; recent immigrant; retiree);*
- d. *reasons and advantages for being a contingent worker;*
- e. *type of occupation (office, executive/professional, skilled, unskilled);*
- f. *length of typical employment;*
- g. *benefits received;*
- h. *obstacles and problems facing contingent workers; and*
- i. *method of performing work within an organization, and training received.*

Data Analysis

To address each of the research objectives, the combined survey data were analyzed based on the major topics previously identified. Analyses were conducted to compare each of the kinds

of firms according to each of the major topics, and thus to ascertain the dynamics across the industries.

Responses to these topics by contingent workers were also analyzed, and then compared and discussed based on firm responses. Overall industry responses were then compared and analyzed against the theories proposed in the literature.

Based upon the outcomes, a discussion of implications for better use of contingent labor by business and industry, especially small business is made. Specific discussions and recommendations for human resource development interventions to better prepare entrepreneurs and personnel generalists for organizational designs to better promote the use of contingent labor are made. Additionally, recommendations are made for training and development opportunities that can be made available through contingent employment for minorities and women which can assist these groups of potential workers to better assimilate into the mainstream workforce.

CHAPTER FOUR

Findings

This chapter presents the findings of the overall study. The findings will be reported according to each of the specific research objectives, which were:

1. *To conduct an in-depth review the literature on the changing workforce and its effect on small business with an emphasis upon flexible staffing arrangements and contingent employment.*
2. *To describe the kinds of industries and firms using contingent workers.*
3. *To determine the characteristics of contingent workers and kinds of contingent jobs existing in small businesses.*
4. *To identify the reasons offered by small business entrepreneurs for employing the contingent worker.*
5. *To identify the reasons offered by the contingent worker for seeking contingent work.*
6. *To identify specific kinds of training and other human resource development interventions currently used by entrepreneurs for preparation of contingent workers.*
7. *To identify the practices and issues of job security, productivity, organization, work structures, and benefits affecting the contingent workforce.*
8. *To identify the potential of the contingent workforce as a means of entry into the workforce for minority and disadvantaged workers.*

The first research objective was met as described in Chapter Two of this report -- the review of the literature.

The following is a detailed description of the findings of the surveys as they relate to research objective #2.

2. *To describe the kinds of industries and firms using contingent workers.*

Who Employs Contingent Workers

Kinds of industries employing contingent workers. The data collected from the employer survey enabled me to determine the kinds of industries and firms employing contingent workers. Table 4 displays the number of firms reporting use of contingent workers. Of the total of 131 firms reporting, 62 firms (47% of the total surveys returned) reported that they never employed contingent workers. All of the firms in the industrial service, food service, travel agencies, accounting and other categories of industries reported no-use. All other industries reported various mixes of use. Of these, the industry reporting the largest number of no-use was the retail industry with 12 firms reporting no use of contingent workers (possibly due to the fact it was the largest industry surveyed). Secondly, the electrical contracting/plumbing & heating reported 80% of their firms reported no use of contingent workers. This lack of use of contingent workers is perhaps due to a misconception of their contribution to the workplace as suggested in the literature.

Of the total respondents, 18 firms (or 14%) reported to be presently employing contingent workers; 22 firms (or 17%) reported using contingent workers in the past; and 29 firms (22%) reported use both presently and in the past. Industries reporting the highest number of firms presently (present and both categories) using contingent workers include: (1) the retail industry -- 13 firms (28%); (2) communications and real estate - 5 firms (11%) each; (3) banking, construction, health, each reported 3 firms (6%)

Table 4

Number of Firms Reporting
Use of Contingent Employees

Industry	Total	Present		In Past		Both		Never	
		N	%	N	%	N	%	N	%
Travel	2	0		0		0		2	100
Auto Service	4	1	25	1	25	0		2	50
Other	3	0		0		0		3	100
Retail	31	7	23	6	19	6	19	12	39
Banking	5	3	60	0		0		2	40
Real Estate	10	1	10	2	20	4	40	3	30
Construction	6	2	33.3	1	16.7	1	16.7	2	33.3
Food Service	3	0		0		0		3	100
Health	8	1	12.5	0		2	25	5	62.5
Legal	3	1	33.3	0		1	33.3	1	33.3
Education	3	0		1	33.3	0		2	66.7
Wholesale	5	0		1	20	1	20	3	60
Transp.	3	1	33.3	0		1	33.3	1	33.3
Insurance	3	0		1	33.3	0		2	66.7
Commun.	11	0		2	18	5	46	4	36
Prof Assoc.	3	0		2	66.7	0		1	33.3
Social Svc.	5	0		1	20	1	20	3	60
Accounting	1	0		0		0		1	100
Maint/Janitor	4	1	25	1	25	2	50	0	
Manuf.	6	0		3	50	1	16.7	2	33.3
Arts	2	0		0		2	100	0	
Security	2	0		0		1	50	1	50
El/Plub/Htg	5	0		0		1	20	4	80
Indust Svc.	3	0		0		0		3	100
TOTAL	131	18		22		29		62	
Percentage	100%	14%		17%		22%		47%	

Three (3) industries, -- education, insurance, and professional associations reported mix use -- their firms had either never used contingent workers or had reported use only in the past. Four (4) of these firms had used contingent workers in the past (3% of total firms responding), and another 5 firms reported never using contingent workers (3.8%). These 2 categories together equal 6.9%

of the total respondents. These industries can benefit from the contingent services of retired professionals and women desiring a professional part-time challenge due to the structure of their work environments.

I compiled a comprehensive description of the demographics of the employer sample including a breakdown of the number of employees in each firm grouped according to industry. These data are in Table 5. Ninety-one (91) firms reported employing a total of 6775 workers. The majority of these employees were in the retail and communication industries. Two industries having the most firms reporting - retail (n = 23 firms) and communications (n = 9 firms), also had the widest range of employees, with some firms only employing 1 worker, and others employing over 700. Insurance had a higher mean number of employees. The travel and legal industries the smallest mean number of employees.

In addition to number of employees in a firm, I also investigated whether or not the size of a firm had an effect on the number of contingent workers employed by that organization. Ninety-three (93) firms responded to firm size, a response rate of 71% (See table 6). The data analysis reported is based on the 93 firms responding. Of the 93 firms reporting 57% described themselves as a small business under \$3.5M annual sales. Ten firms were categorized as small minority owned disadvantaged firms, representing 11% of the total respondents. Nine firms (9%) were reported as mid-size businesses (over \$3.5 but under \$5M annual sales); and 21 firms, (23%) were categorized as large firms. When

Table 5

Number of Employees in Firm
Employer Survey

Industry	n Firms	n Employees	Average number of employees	Low	High
Travel	1	4	4		
Auto Svc	3	117	39	5	100
Retail	23	1680	73	1	764
Banking	4	690	172.5	4	475
Real Estate	5	362	72.4	7	300
Construction	4	99	24.75	2	40
Food Service	1	35	35		
Health	5	525	105	7	375
Legal	2	14	7	4	10
Education	1	48	48		
Wholesale	4	237	59.25	42	80
Transportation	1	15	15		
Insurance	3	613	204.3	3	600
Communication	9	1612	179	1	999
Prof Assoc	3	78	26	7	50
Social Svc	4	147	36.75	9	58
Maint/Janitorial	4	104	26	1	96
Manufacturing	5	162	32.4	3	62
Arts	2	40	20	15	25
Security	1	8	8		
El/Pl/Htg	4	145	36.25	2	100
Industrial Svc	2	40	20	5	35
Totals	91	6775			

describing small business in general this sector represented 68% (combination of the first two categories cited above) of the total respondents. Industries reporting only small business firms in their categories included travel, construction, food service, legal, insurance, professional associations, social service, accounting, arts, security, and industrial service.

Table 6

Size of Firm Reporting
Employer Survey

Industry	N	Small Business	Small Disadvantaged Business	Mid-size Business	Large Firm
Travel	1	1	0	0	0
Auto Service	3	2	0	0	1
Retail	23	10	4	5	4
Banking	4	1	0	0	3
Real Estate	6	2	1	0	3
Construction	6	5	1	0	0
Food Service	2	1	0	0	1
Health	3	2	0	0	1
Legal	2	2	0	0	0
Education	1	0	0	0	1
Wholesale	4	1	1	1	1
Transportation	2	1	0	0	1
Insurance	2	2	0	0	0
Communication	9	5	1	1	2
Prof Association	3	3	0	0	0
Social Service	3	3	0	0	0
Accounting	1	0	1	0	0
Manit./Janitorial	4	2	1	1	0
Manufacturing	5	3	0	1	1
Arts	1	1	0	0	0
Security	1	1	0	0	0
El/Pl/Heating	5	3	0	0	2
Industrial Svc	2	2	0	0	0
Total	93	53	10	9	21
Percentage	100	57	11	9.5	22.5

The retail industry representing 23 firms (25% of the total respondents) reported 10 small business concerns, and 4 small disadvantaged businesses. As cited in the literature, the majority of businesses are now and will continue to be small businesses.

I also investigated the mean numbers of employees in firms by firm size and industry, and whether this had an impact on the use of contingent workers. Fifty-three (53) of the 87 firms (61% of the total respondents) provided information on both firm size and

number of employees. These were small businesses and employed mean number of 17.9 employees. In addition, six (6) firms (7%) were small disadvantaged businesses employing a mean of 13.9 employees. Nineteen (19) firms were large firms (22% of the total respondents), with a mean number of 274.4 employees (see Table 7).

I found that small business employed a relatively high number of employees. Small businesses employing large numbers of employees were in the wholesale, social service, food service, professional services, arts and construction industries. Small businesses in the maintenance/janitorial, banking, and travel industries reported the lowest average number of employees, followed by retail, communication, insurance, legal and security firms. However, I found a wide diversity in the mean number of employees in small businesses; ranging from an average of 3 employees (maintenance and janitorial) to mean of 80 employees (wholesale). This was not the case with regards to small disadvantaged businesses. Six firms in four industries reported a much smaller mean number of employees; ranging from an average of 1 (communication) to 50 (wholesale) employees.

Mid-size firms employed a more homogenous number of employees throughout all industries, with a low mean of 42 (wholesale) to a high mean of 96 (maintenance/janitorial); whereas large firms reported a wide range of mean employees (62-Manufacturing; 765 - Communication).

Employee reports. Of the 135 contingent employees interviewed on this research objective, 62 respondents (46% of the total

Table 7

**Number of Employees in Firm
Employer Survey**

Industry ¹	N Firms	Small Business		Small Disadvantaged Business		Mid-Size Firm		Large Business	
		n firms	avg n of employees	n firms	avg n of employees	n firms	avg n of employees	n firms	avg n of employees
Travel	1	1	4	0		0		0	
Auto Service	3	2	8.5	0		0		1	100
Retail	22	10	6.1	3	2.7	5	46.4	4	333.5
Banking	4	1	4	0		0		3	228.6
Real Estate	5	2	8.5	0		0		3	115
Construction	4	4	25	0		0		0	
Food Service	1	1	35	0		0		0	
Health	4	3	12	0		0		1	375
Legal	2	2	7	0		0		0	
Wholesale	4	1	80	1	50	1	42	1	65
Transportation	2	1	15	0		0		1	unavailable
Insurance	3	2	6.5	0		0		1	600
Communication	9	5	6.4	1	1	1	50	2	765
Prof Assoc.	3	3	26	0		0		0	
Social Svc	3	3	46	0		0		0	
Maint/Janitorial	4	2	3	1	2	1	96	0	
Manufacturing	5	3	14.3	0		1	56	1	62
Arts	1	1	25	0		0		0	
Security	1	1	8	0		0		0	
El/Pl/Htg	4	3	15	0		0		1	100
Industrial Svc	2	2	20	0		0		0	
Totals	87	53	17.9	6	13.9	9	72.6	19	274.4
Percentage	100%	61%		7%		10%		22%	

¹. Only 1 firm reported number of employees in Education category. This firm reported 48 employees, but did not stipulate size of firm.

². One firm reported 30 employees, but did not stipulate size of firm. This firm was not included in the table.

³. One firm reported 114 employees, but did not stipulate size of firm. This firm was not included in the table.

⁴. One firm reported 9 employees, but did not stipulate size of firm. This firm was not included in the table.

⁵. One firm reported 15 employees, but did not stipulate size of firm. This firm was not included in the table.

surveyed) were presently working as contingent workers at the time of the interview; while 73 employees (or 54%) were not working at the time of the interview in a contingent capacity but had worked contingently in the past.

Table 8 reports on the size of the contingent workforce as

reported on the employer survey based on the sample of 131 respondents. Many respondents did not supply complete data regarding this question as the footnotes on Table 8 indicate. The descriptions below are based on the data collected. (Table 8 describes (1) number of contingent workers; and (2) number of firms responding to percentage of contingent workers in their workforce.)

I also sought to determine the number of contingent workers employed over the past three years, as well as the number of contingent workers presently employed. For ease of reporting, I will describe the mean $\bar{x}$, high and low in each category.

In the "past" category, the $\bar{x}$ in each firm was 5.5 with a range from 1 to 25.2 workers. The mean $\bar{x}$ high was 13.5 with a range from 2 to 46 workers. The $\bar{x}$ low was 2.1 with a range from 1 to 5 workers. See Table 8 for a more detailed description of the number of employees in each industry. The health industry reported: (1) the highest $\bar{x}$ number of workers - 25.2; and (2) the most workers in one firm - 46.

A determination of the percentage of change in the use of contingent workers over the past three years in each industry and in general was made (Table 9). Thirty-three (33) firms reported no growth (51% of total respondents); 11 reported less than 5% growth (17%); 10 firms reported between 5-25% growth (16%) and 7 firms reported more than 25% growth (11%). Only 3 firms reported a reduction or negative change. The retail industry experienced a reduction in use of contingent workers over the past three years.

Table 8
Number of Contingent Employees Reported by Industry

Industry	Presently								In the Past							
	n		% of Workforce						n		% of Workforce					
	$\bar{x}$	Hq	Lw	<1	2-5	<10	<25	other	$\bar{x}$	Hq	Lw	<1	2-5	<10	<25	other
Auto Service	1			1					1			1				
Retail ¹	3.45	13	1	2	3	1	3		7.5	25	1	6		2	1	
Banking	2.67	4	1	2				1								
Real Estate ²	1.5	2	1	2	2	1			2.25	4	2	2	1			
Construction ³	10	25	2			1		1	3	3	3			1		
Health	6	12	4	1	1			1	25.2	46	5		1			1
Legal ³	2	2	2					1	5							
Education ⁴														1		
Wholesale ⁵									5				1			
Transp ⁶	478	950	6		1		1									
Insurance ⁴												1				
Communication ⁷	7.7	20	1	1	2	1			3.75	10	1	1	3			
Prof Assoc. ⁸												1	1			
Social Svc. ⁹	1			1					3				1			
Maint.Jan. ¹⁰	2	3	1		1				6	10	2		1			
Manufact ¹¹	1								1.5	2	1	3				
AFIA	1.5	2	1		2				5	8	2			2		
Security ¹²	2							1								
ElPlubHtg ¹³						1			3					1		

¹. In present category, 3 firms did not report numbers and 4 firms did not report percentage. In past category, 3 firms did not report numbers and 4 firms did not report percentage.

². In present category, 1 firm did not report number. In past category, 2 firms did not report number or percentage.

³. One firm in both present and past category did not report percentage.

⁴. Firm in past category did not report number.

⁵. Firm in present category did not report number and percentage. 1 Firm in past category did not report number, and 1 firm did not report percentage.

⁶. Of the 3 firms reporting in the present category, one firm employed a much larger number of employees. Therefore, the average may not truly be representative of the industry. Firm in past category did not report number or percentage.

⁷. One firm in present category reported 3,000 workers, did not include in average due to variance with others reported. One firm did not report number and another did not report percentage. Two firms did not report number or percentage in past category.

⁸. Two firms did not report numbers in past category.

⁹. One firm in past category did not report number or percentage.

¹⁰. One firm in present category did not report percentage. Two firms in past category did not report percentage.

¹¹. One firm in present category did not report percentage. 2 firms did not report on numbers and one firm did not report percentage in past category.

¹². Firm in past category did not report number or percentage.

¹³. Firm in present category did not report number.

Table 9

**Percentage of Change in Use of Contingent Help
Reported by Industry**

Industry	n	No Growth	< 5% Growth	5-10 % Growth	11-25% Growth	>25% Growth	Reduction
Auto Svc	1	1	0	0	0	0	0
Retail	18	8	2	2	0	3	3
Banking	3	1	1	0	0	1	0
Real Estate	5	3	1	1	0	0	0
Const	4	1	1	1	0	1	0
Health	3	2	1	0	0	0	0
Legal	2	0	0	0	1	1	0
Education	1	1	0	0	0	0	0
Wholesale	1	1	0	0	0	0	0
Transportation	2	0	0	0	2	0	0
Insurance	1	1	0	0	0	0	0
Communication	7	4	2	1	0	0	0
Prof. Assoc.	2	0	2	0	0	0	0
Social Svc.	3	2	0	1	0	0	0
Main/Janit.	3	3	0	0	0	0	0
Manufac.	4	3	1	0	0	0	0
AFES	2	2	0	0	0	0	0
Security	1	0	0	0	0	1	0
El/Pl/Htg	1	0	0	1	0	0	0
Total	n	64	33	11	7	3	7
	%	100	51	17	11	5	11

Most growth occurred in 3 firms in the retail industry; and 1 firm in each of the banking, construction, legal and security industries. Over 50% of the firms indicated no growth in use of contingent workers in the past 3 years.

A Personnel Journal (1988) survey indicated an increased use of contingent workers over the years 1983-1988. This survey indicated no growth in use of contingent workers over the past three years (1987-1990). These two surveys were conducted in two different (and overlapping) time periods, which may account, in part, for the discrepancy in the findings. As documented in the

literature, the use of contingent workers increased tremendously during the early and mid-1980s when the economy was in a period of rapid growth. However, in past times of recession, contingent employment increased. This is not presently happening.

An explanation of why employers use contingent workers might further explain the change in rate of employment of contingent workers. This will be discussed shortly.

In addition to the number of contingent workers employed over the past three years, another objective of this project was to determine the percentage of an industry's entire workforce comprised of contingent workers during that timeframe. Seventy-five (75) percent of the firms reported ($n = 24$) that contingent workers fell either in the "less than 1%" or "2-5%" range of their entire workforces (Table 8). Seven (7) firms (21%) indicated the "less than 10%" category; and 1 firm each in the "less than 25%" and "other" categories. The retail industry reported the highest percentage of contingent workers in a single industry. Two retail firms reported contingent workers comprising "under 10%"; and 1 firm "under 25%" of their total workforces. These findings are consistent with the literature.

The $\bar{x}$ number of contingent workers presently employed in each industry was 3.2 workers with a range from 1 to 10 workers. The $\bar{x}$ high was 9.2 with a range from 2 to 25 contingent workers. The $\bar{x}$ low for firms reporting was 2 workers with a range from 1 to 6 contingent workers. One of the two firms in the transportation industry was not counted in this analysis due to its extremely high

number of contingent employees, which does not reflect the true picture of the transportation industry. This particular firm was a national headquarters, which is not typical of the geographical area surveyed.

The construction industry reported the highest average number of contingent workers - 10; and the most contingent workers in any one firm - 25. The retail industry reported the highest percentage of contingent workers in any one single individual firm. One retail firm reported under 10%; and 3 firms reported under 25% of the total workforce.

The overall percentage of contingent workers presently employed is summarized as follows: (1) Sixty-one percent reported that contingent workers fell either in the "less than 1%" or "2-5%" range of their entire workforce; (2) Fourteen percent were in the "less than 10%" category; and (3) eleven percent in the "less than 25%" category.

The Personnel Journal Survey (1988) reports that 55% of respondents indicated that contingent workers made-up less than 1% of their workforce. Cook (1989) report proportionately higher rates of contingent workers are emerging in the average firm's workforce. Cook relates that "Contingent workers fill one of every four American jobs, and by the Year 2000, the Bureau of Labor Statistics estimates that the number will grow by more than 80 percent" (p. 40). In our study, the present rate of employed contingent workers making up less than 1% of the workforce was reported by 27% of those firms responding. The representation of

contingent worker in the regular workforce was higher in our study (see findings above) than in the survey reported by the Personnel Journal, but more in line with the data reported by Cook (1989), and Brophy & Walsh (1987).

When asked to predict future changes to occur in contingent workers use, 52% (42) of the firms expected no change. One-fourth of the respondents could not predict, while 18% (15) predicted an increased use of contingent hires (see Table 10). Respective to the future use of contingent workers both the Personnel Journal (1988) survey and our findings indicate consistent or increased use, as reported by 66% of the Personnel Journal survey respondents and by 70% of our survey respondents.

Summary of the Findings of Research Objective # 2

To summarize, almost half of the respondents (47%) report never using contingent workers. Fourteen percent (14%) of the respondents presently employ contingent workers; while 17% report having employed these workers in the past, and 22% have employed both presently and in the past. Thirty five percent (35%) of the total respondents in both timeframes reported that contingent workers made up less than 1% of their entire workforces; whereas 32% reported these workers to be 2-5% of the workforce; 17% reported them to be less than 10%; and 7% reported that contingent workers were less than 25% of the workforce. By rank order, firms using the most contingent workers are retail, communications, and real estate. The health industry reported the highest mean number of contingent workers. Over fifty percent (50%) of the firms

responding reported no growth in use of the contingent worker over the past three years. Fifty-two percent (52%) of the firms, expected no change in future use of contingent workers, and only 5% saw a decrease in use of the contingent worker.

Table 10

Future Expected Change
In Use of Contingent Workers - Employer Survey

Industry	N	Increase	Stay the Same	Decrease	Dont Know
Auto Svc	1	0	1	0	0
Retail	24	3	13	0	8
Banking	3	2	1	0	0
Real Estate	6	0	4	1	1
Construction	3	1	0	1	1
Health	3	0	3	0	0
Legal	2	0	2	0	0
Education	2	0	0	1	1
Wholesale	3	0	2	0	1
Transp.	2	2	0	0	0
Insurance	3	0	1	1	1
Commun.	8	1	6	0	1
Prof Assoc.	3	0	2	0	1
Social Svc.	3	1	1	0	1
Maint/Jan	4	2	1	0	1
Manufac.	5	1	2	0	2
Arts	2	1	0	0	1
Security	1	1	0	0	0
El/Plub/Htg	2	0	2	0	0
Indust Svc.	1	0	1	0	0
TOTAL	81	15	42	4	20
Percentage	100%	18%	52%	5%	25%

The following is a detailed description of the findings of the surveys as they relate to research objective #3.

3. *To determine the characteristics of contingent workers and the kinds of contingent jobs existing in small businesses.*

Characteristics of the Contingent Worker

Tables 11, 13 and 16 provide information about the demographics of the contingent workforce as reported by employers. Tables 12, 14, 15, and 17 display those demographics of the contingent workers interviewed. This information will permit me to determine how contingent employment affects the female and minority worker's ability to access employment via the contingent workforce, and who is presently employed as a contingent worker in the various industries reviewed. Variables analyzed include sex, race, age, marital status, job situation, and full-time versus part-time employment. It must be noted that all respondents did not respond to all of the categories. The findings are based on the available data.

A detailed summary of sex and race in each industry is reported in Table 11. A total of 85 male contingent workers in 10 industries, and 155 female contingent workers in 10 industries were reported. The data indicates more females employed as contingent workers than males. This is clear in the retail, health, and arts; and surprisingly in the electrical, plumbing & heating industry categories as well.

This did not hold true however in the industries most typically identified as male dominated (i.e., construction and auto service). Additionally, there were only 9 female contingent

workers employed in the real estate and 3 in the social service industries. More male than female contingent workers were employed in the legal, communications, maintenance/janitorial, and manufacturing industries.

Table 11

Demographics of Contingent Workforce
By Sex & Race - Employer Survey

Industry ¹	Male				Female				Caucasian				Black				Hispanic				Asian				Oriental			
	n	$\bar{x}$	H	L	n	$\bar{x}$	H	L	n	$\bar{x}$	H	L	n	$\bar{x}$	H	L	n	$\bar{x}$	H	L	n	$\bar{x}$	H	L	n	$\bar{x}$	H	L
Auto Svc	1	1			0				0				0				1	1			0							
Retail	32	2.3	15	1	96	9.6	25	1	9	1.5	2	1	22	3.7	13	1	23	3.8	10	1	0				1	1		
Real Estate	0				9	2.3	4	1	0				0				3	1.5	2	1	0				0			
Const	5	2.5	3	2	0				0				0				2	2			3	3			0			
Health	18	9	14	4	33	16.5	32	1	33	16.5	28	5	6	6			8	8			0				4	4		
Legal	4	4			1	1			0				0				0				0				0			
Wholesale ²																	2	2			3	3			0			
Communic.	13	4.3	10	1	1	1			3	3			5	5			5	5			0				0			
Social Svc.	0				3	3			3	3			0				0				0				0			
Main/Janit.	5	2.5	3	2	3	3			0				8	4	6	2	0				0				0			
Manufac.	2	1	1	1	1	1			0				1	1			1	1			0				0			
Arts	4	2	3	1	6	3	5	1	3	3			2	2			3	3			0				0			
El/Pl/Htg	1	1			2	2			0				2	2			1	1			0				0			

¹. Banking, Education, Transportation, Insurance, Professional Associations, and Security Industries did not provide data in these categories.

². Firm did not report male/female category.

The data from the employee survey indicates that of 128 respondents, 104 were females (81%) and 24 males (19%). Table 12 describes the demographics obtained from the employees themselves relating to sex and race.

These data combined confirms the literature, (Swoboda, 1989; Kirkpatrick, 1988; Brophy & Walsh, 1987; Kutscher, 1987) indicating that females in contingent jobs constitute an overwhelming majority. The employer survey suggests, however, that more males

are entering the contingent workforce as the nature and demand (increase of available highly technical professionals and retirees (Beiswinger, 1989; Cook, 1989)) for contingent workers increase.

Data on contingent worker race obtained from the employer survey show a total of 51 caucasians reported in 5 industries; 46 black in 7 industries; 48 hispanic in 9 industries; 7 asian in 3 industries; and 5 oriental in 2 industries.

The retail industry employed more black ($\bar{x}$ of 3.7 per firm) and hispanic ($\bar{x}$ of 3.8 per firm) contingent workers than caucasian ($\bar{x}$ of 1.5 per firm) workers. Construction and wholesale industries employed an almost equal amount of hispanics and asian. The health, communications, and arts industries had the most diversified group of contingent employees; whereas social services only employed white contingent workers. Maintenance and janitorial industries reported only black contingent workers; and the real estate industry reported only hispanic workers. Only two industries reported use of oriental workers, these being the retail and health industries.

The employee data is summarized in Table 12 ($n = 127$). Accordingly, 49 were black (39%); 42 hispanic (33%); 31 caucasian (24%); and 5 were oriental (4%). No data were available in the review of the literature describing the racial breakdown of contingent workers. Therefore a comparison was not possible. Belous in (Swoboda, 1989) of the National Planning Association suggests that the vast majority of contingent workers are women

Table 12

Demographics of Sample by Sex & Race
Employee Survey

				Female	%	Male	%	N
				104	81	24	19	128
Black	%	Hispanic	%	Caucasian	%	Oriental	%	N
49	39	42	33	31	24	5	4	127

and minorities. He questions current contingent worker hiring policy as hurting minority and women workers. A policy of using female and minority contingents he contends:

...is done to protect white male 'cores' at the higher levels of the organization." He further suggests that using more minorities and women in contingent jobs is a form of "discrimination," since many of these workers do not receive benefits and wages that full time employees receive (p. H 2).

A discrepancy appears between the data offered by employers and the worker interviews in the race most highly represented in the contingent workforce. By rank order, more caucasians are employed, than blacks or hispanics according, to the employer survey; but more blacks and hispanics are employed based upon the employee survey data. The total number of minorities employed outnumber whites as contingent workers in both surveys. A possible rationale as to why minorities are in the majority can be due to two factors. First, more minorities are entering the workforce than whites (Johnston, 1987); therefore, the likelihood exists for a larger minority group representation. Secondly, the racial make-up of the geographical areas surveyed is largely minority.

Table 13 reports on the marital status and social role of the contingent worker (i.e. college student, retiree, housewife, emigré) as reported by the firms responding to the employer survey. Non-married contingent workers (n = 86) were reported in 10 industries; married contingent workers (n= 32), were reported in 8 industries; and 11 single parent contingent workers reported by 4 industries. The mean for all individual firms in the retail industry were 2 non-married and 2.3 married respectively. The communications industry reported 8 non-married, and 5 single parent contingent workers. The mean for an individual firm in the industry was 2.7 non-married. Real estate reported only married workers with a mean of 1.7 employed by an individual firm. Manufacturing reported an equal disbursement between non-married and married.

Regarding social status of contingent workers, the data suggests that most contingent workers are also college students. There were 32 college students employed in 7 industries. This is especially interesting as it would appear that contingent work can also be used as an on-the-job or cooperative training opportunity for a contingent worker. For the "retiree" category, 4 retired workers were employed on a contingent basis in 3 industries. In the "housewife" category 9 homemakers were reported as contingent workers in 6 industries; and in the "emigré" categories only 1 was reported by the retail industry.

The mean number of college students in the retail industry was 2.6; in health and arts it was 4; in legal it was 5; in wholesale

Table 13

**Demographics of Contingent Workforce
By Marital Status and Situation - Employer Survey**

Industry ¹	Single				Married				Single Parent				College Student				Retired				Housewife				Emigré				
	n	$\bar{x}$	2	H	L	n	$\bar{x}$	H	L	n	$\bar{x}$	H	L	n	$\bar{x}$	H	L	n	$\bar{x}$	H	L	n	$\bar{x}$	H	L	n	$\bar{x}$	H	L
Auto Svc										1	1																		
Retail	12	2		5	1	9	2.3	4	1	1	1			13	2.6	5	1	1	1			1	1			1	1		
Real Estate	0					5	1.7	2	1	4	4																		
Const ³	3	3																											
Health	43	21.5	39	4		8	4		7	1	0		4	4			0				1	1							
Legal	5	5				0							5	5			0				0				0				
Wholesale	5	5				0				0			3	3			0				0				0				
Communic.	8	2.7	5	1		1	1			5	5		0				0				1	1			0				
Social Svc.	0					3	3			0			0				0				3	3			0				
Main/Janit.	1	1				1	1			0			1	1			0				0				0				
Manufac.	2	1		1	1	1	1			0			0	0			1	1			0								
Arts	4	4				4	4						4	4			2	2			2	2			0				
El/Pl/Htg	3	3				0				0			2	2			0				1	1			0				

¹. Banking, Education, Transportation, Insurance, Professional Associations, and Security Industries did not provide data in these categories.

². When N and average are the same, only 1 individual firm reported in that category.

³. Did not report on situation.

it was 3; in maintenance-janitorial it was 1; and in electrical plumbing and heating it was 2. By rank order college students ranked first, followed by housewife, retiree, and lastly emigré.

Table 14 and Table 15 reports on the marital status and social status of the employee sample in rank order of frequency. The most typical subject was a single and a part-time college student.

An investigation of the full vs part-time status of contingent workers was also an objective of this part of the project. Table 16 describes the information tabulated from the employer data in this category. Based on all respondents, 38

Table 14

Demographics of Sample by Marital Status
Employee Survey

Marial Status	N	%
Single	47	43
Married	41	37
Separated	12	11
Single Parent	8	7
Divorced	2	2
Total	110	100

Table 15

Demographics of Samplly by Social Status
Employee Survey

Social Status	N	%
Part time college student	56	48
Full time college student	25	22
Homemaker returning to workforce	18	16
Resident Alien	11	9
Immigrant	3	3
Empty Nester	1	<1
Retiree	1	<1
Chronically Unemployed	1	<1
Total	116	100

individuals in 4 industries were reported as full time contingent workers; and 103 individuals in 8 industries were reported as part-time contingent workers. This information suggests strongly that contingent workers are more likely to be employed on a part-time basis. This fact suggests the hypotheses that contingent

employment can be an opportunity for training in cooperation with an educational institution.

Table 16 also reports on the employer data regarding age. Seventy-one (71) workers in 6 industries were reported between the ages of 16-21; 84 workers in 10 industries reported in the "22-30" category; 16 workers in 6 industries were reported in the "31-40" category; 8 workers in 4 industries were in the "41-50"

Table 16

Demographics of Contingent Workforce Reported by Industry
By Full time/Part time and Age - Employer Survey

Industry ¹	Full time				Part time				16-21				22-30				31-40				41-50				over 50			
	n	$\bar{X}$	$\bar{X}^2$	H L	n	$\bar{X}$	H	L	n	$\bar{X}$	H	L	n	$\bar{X}$	H	L	n	$\bar{X}$	H	L	n	$\bar{X}$	H	L	n	$\bar{X}$	H	L
Retail	19	6.4	15	1	29	3.2	6	1	27	5.4	20	1	36	7.2	25	1	5	1.7	3	1	3	1.5	2	1	1	1		
Real Estate ³	2	2			2	2			0				7	2.3	4	1	0				0				0			
Construc	0				6	3	3	3	6	3	3	3	0				0				0				0			
Health	12	12			39	19.5	34	5	32	32			12	6	8	4	3	1.5	2	1	1	1			3	3		
Legal	5	5			0				0				5	5			0				0				0			
Wholesale ⁴									3	3			2	2			0				0				0			
Communic. ⁴					13	6.5	10	3	1	1			11	5.5	10	1	1	1			1	1			0			
Social Svc.	0				3	3			0				0				0				3	3			0			
Maint/Jaint. ³													4	2	2	2	4	4			0				0			
Manufac	0				3	1.5	2	1	0				2	2			1	1			0				0			
Arts	0				8	8			2	2			2	2			2	2			0				2	2		
El/Pl/Htg ⁴									0				3	3			0				0				0			

¹. Auto Service, Banking, Education, Transportation, Insurance, Professional Associations, and Security Industries did not provide data in these categories.

². When N and mean are the same, only 1 individual firm reported in that category.

³. Two firms did not report full time/part-time category and one firm did not report age.

⁴. One firm did not report full time/part-time category

category; and in the "over 50" category, there were 6 workers in 3 industries.

From data collected on both the full time, part-time and age variables, employers reported that most of the contingent workers fell into the part-time, and the 16-21 and 22-30 age categories.

This is true across most of the individual industries. These age projections are also consistent with the average age of a community-technical college student.

The communications industry reported only part-time workers, and most of these workers (n=11) in the 22-30 age category. Real estate reported 2 full time and 2 part-time contingent workers; and 7 of these workers were in the 22-30 age category. Only part-time contingent workers were employed in the construction industry, and all were in the 16-21 age category.

The employee survey data regarding age and social status are similar as to those reported by employers (i.e. most contingent workers are in the 20s and 30s, working part-time).

Table 17 displays the age range of the sample in rank order according to frequency reported in the employee survey. The workers clustered in the 20 and 30 age group, with the "22-25" age group reporting the most contingent workers (n= 46), with the "26-30" age category reporting 31 contingent workers, and "31-35" age category reporting 26 workers.

Summary of the Findings of Characteristics of Contingent Workers

In summary, the retail industry employs more female than male contingent workers; more black and hispanic than white; single and married are evenly divided; more college students; more part-time than full time contingent workers; and most of these workers are in the 22-30 age category. The communications industry employs more males than females; more blacks and hispanics than white; more single than married; and they are more

Table 17

Demographics of Sample by Age
Employee Survey

Age	N	%
22-25	46	34
26-30	31	23
31-35	26	19
16-21	14	11
36-40	9	7
41-55	5	4
56-65	3	2
Total	134	100

likely to be part time, and between the ages of 22-30. The health industry employs more females than males; more whites than blacks and hispanics; more single than married individuals; and the contingent worker is more likely to be a college student. The real estate industry employs all females; and they are likely to either be a single parent or married; between the age of 22-30; and evenly disbursed between part-time and full-time workers. Results of the employee survey indicate that they are mostly females who were part-time college students choosing contingent work as a financial support mechanism.

A new kind of contingent worker is becoming a part of the contingent workforce according to the literature but not verified in our study. This new source of contingent workers being employed in increasing numbers by business and industry is the mature worker, possessing valuable experience and skills that can

increase the levels of productivity and output of the goods and services generated by a firm (Canape, 1990; Beiswinger, 1989; Lueck, 1985). According to both the employer and employee survey, this segment of the contingent workforce has not yet been fully integrated into business and industry in the Bronx, but the researcher is confident that this will probably change by the Year 2000.

Kinds of Contingent Jobs

A part of research objective #3 was to determine the kinds of contingent jobs existing in business and industry. The literature suggests that the temporary services industry classifies contingent jobs into 4 categories. I modified these categories to include 6 categories: "office," "retail," "executive/professional," "health," "skilled labor," and "unskilled labor". The survey question referring to this topic contained 15 job classifications. This was done so that I could obtain detailed information as to the types of contingent jobs existing in the workplace, and gain an understanding of the trends occurring in business and industry.

For ease of reporting, a grouping of similar jobs into the 6 categories were made. Secretarial, clerical, word processing and filing/receptionist were grouped into the "office" category. Executive/Managerial, legal, accounting/financial, data processing, administrative, and consultants made up the "Executive Professional" category. Factory was placed under "skilled labor"; laborer under "unskilled labor"; sales under

"retail"; and nursing, and health care/assisting under the "health" categories.

In some cases firms employed more than one category of contingent worker. I surveyed the firms not only to determine the types of contingent jobs in the workplace, but also to obtain information on employer previous and present employment practices concerning the use of contingent jobs and contingent workers. Employers were asked whether these jobs were used over the past three years, presently, or in both timeframes. To determine a future need for contingent workers, and in those areas where workers potentially will be employed, it is necessary to collect background of contingent jobs.

Table 18 summarizes the data regarding the kinds of contingent jobs in the workplace. The rank order of types of contingent jobs in the workplace by frequency used were: office, executive professional, unskilled, retail, skilled, and lastly health. Four most frequently reported categories provided data as follows. Eighty-nine (89) respondents reported workers in the "office" category representing 54% of the total number of firms responding. This was detailed to included 19 workers in the 'present', 36 in the 'past', and 34 in 'both' categories. "Executive Professional" included 45 respondents - 27% of the total firms responding, specifically, reporting 9 contingent workers presently; 19 in the past, and 17 in both categories. For the "unskilled" category there were 21 total respondents - 13% of the survey total, with 7 firms reported contingent workers

in each category; and for the category "retail", 7 responded (4% of the total respondents); 1 presently, and 3 in both the past and both category. A review of this data shows an apparent downward trend in the use of contingent jobs at the present time. The "unskilled" job category has apparently remained the same.

Table 18

Kinds of Contingent Jobs Reported - Employer Survey

Industry	n	Office				Retail				Exec\Prof				Skilled Labor				Unskilled Labor			
		Firms	Pres	Past	Bth	n	Pres	Past	Bth	n	Pres	Past	Bth	n	Pres	Past	Bth	n	Pres	Past	Bth
Auto Svc	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1
Retail	29	1	10	2	13	1	1	0	2	1	2	5	8	0	1	0	1	2	1	2	5
Banking	13	7	0	0	7	0	0	0	0	5	0	0	5	0	0	0	0	1	0	0	1
Real Est	21	4	6	2	12	0	1	1	2	0	6	1	7	0	0	0	0	0	0	0	0
Construc	4	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	2	1	0	3
Health ¹	9	2	1	3	6	0	0	0	0	1	0	0	1	0	0	0	0	0	0	1	1
Legal	3	2	0	0	2	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0
Educ	5	0	0	4	4	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0
Wholesale	5	0	2	0	2	0	0	0	0	1	1	0	2	0	0	0	0	0	0	0	0
Transp	13	2	0	4	6	0	0	1	1	0	0	5	5	0	0	0	0	0	0	1	1
Insurance	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commun	22	0	4	10	14	0	0	1	1	0	1	1	2	0	0	1	1	0	1	3	4
Prof Assoc	4	0	3	0	3	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0
Social Svc	4	0	1	1	2	0	0	0	0	0	2	0	2	0	0	0	0	0	0	0	0
Maint/Jant	6	0	0	4	4	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	2
Manuf	7	0	2	2	4	0	0	0	0	0	0	1	1	0	0	0	0	0	2	0	2
Arts	7	1	0	2	3	0	0	0	0	0	1	3	4	0	0	0	0	0	0	0	0
Security	9	0	4	0	4	0	1	0	1	0	3	0	3	0	0	0	0	1	0	1	1
El/Pl/Htg	3	0	2	0	2	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0
Totals	166	19	36	34	89	1	3	3	7	9	19	17	45	0	1	1	2	7	7	7	21

¹. Health was the only category reporting one health worker employed in both category.

The survey question referring to this topic in the employee survey contained 14 job classifications. As in the employer survey, for ease of reporting, a grouping of similar jobs into the 6 categories was made (Table 19). Clerical/secretarial, word

processing and filing/receptionist were grouped into the "office" category. Executive/managerial, legal, accounting/financial, data processing, administrative, and consultants made up the "executive/ professional" category. factory was placed under "skilled labor"; laborer under "unskilled labor"; sales under "retail"; and nursing, and health care/assisting under the "health" categories.

Table 19 provides the data regarding the kinds of contingent jobs the individual workers reported holding in the workplace.

Table 19

Kinds of Contingent Jobs Reported
Employee Survey

Contingent Jobs	N	Percent
Office	90	59
Executive/Professional	40	26
Skilled	16	10.5
Health	4	3
Retail	2	1
Unskilled	1	<1
Total	153	100

The data provides me with the following information. The rank order of types of contingent jobs in the workplace by frequency reported was: (1) office; (2) executive/professional; (3) skilled; (4) health; (5) retail; and lastly (6) unskilled. Ninety (90) respondents reported in the "office" category

representing 59% of the total number of subjects responding, whereas only 1 respondent was in the "unskilled" category. Executive/professional ranked second with 40 respondents; and skilled jobs reporting 16 respondents.

There has been an increase in use of "office" contingent jobs in five out of 17 industries (30%) reporting (Table 18). These industries include; banking, health, legal, transportation, and the arts. A decrease of contingent office jobs has been reported by 9 industries (53%): the retail, real estate, wholesale, insurance, professional associations, social services, manufacturing, security, and electrical plumbing and heating industries.

An analysis of the "Executive Professional" category shows that three out of 16 industries (19%) reported an increase use of contingent workers (banking, health and legal industries). However, 10 industries (62%) showed a decrease in use of contingent workers (retail, real estate, construction, communication, professional associations, social services, arts, security, and electrical, plumbing and heating).

Both the employers and employees reported office and executive/professional categories of contingent workers most frequently. The Bureau of Labor Statistics (Carey & Hazelbaker, 1986) cites office occupations as the most employed category. "Office occupations accounted for more than one-half of total employment in personnel supply services" (p. 42). This is confirmed by our findings. However our data shows a decreased

use (by 53% of the respondents) of office workers. The reason for this decrease, may be as a result of the economic slow down that has taken place in the New York City area. BLS indicates that "Employment in office occupations is expected to grow as rapidly as total employment in the temporary help industry" (Carey & Hazelbaker, 1986, p. 42). It also appears that the temporary help industry is stagnating due to a decrease in the amount of products and services produced.

Ten industries reported using "unskilled" contingent jobs. An increased use of this type of contingent job was reported by 4 industries (auto service, retail, banking and construction) which represents 40% of all industries reporting in this category. Three industries (30%) (communications, manufacturing and security) also showed a decrease use.

No increase was reported in the "retail" category, but two of the five industries reporting (40%) reported a decrease (real estate, and security). Two industries, retail and communications, reported filling jobs with contingent "skilled" workers. The retail industry reported decreased use, and the communications industry report no change in use.

How industries secure contingent help was of interest to us. The survey questionnaire requested respondents to report whether they hired contingent workers directly, employed a temporary services firm, or used both methods (see Table 20). Over half of those responding used their own resources to hire contingent workers (55% or 35 out of 64 firms); while 14 firms, 22% used the

temporary service agency; and 15 firms used both methods. The retail industry reported over 75% of its firms hiring contingent workers directly. Maintenance/janitorial, and legal firms exclusively hired on their own; and wholesale and insurance firms only employed a temporary service agency.

Table 20

Sources of Contingent Workers
Employer Survey

Industry	n	Directly Hired By Firm	Via Temporary Service Agency	Both
Auto Svc	1	1	0	0
Retail	18	14	1	3
Banking	3	0	1	2
Real Estate	6	3	2	1
Construction	4	2	1	1
Health	3	2	0	1
Legal	1	1	0	0
Wholesale	2	0	2	0
Transportation	2	0	0	2
Insurance	1	0	1	0
Communication	7	4	2	1
Prof Assoc.	2	0	0	2
Social Svc.	2	1	0	1
Maint/Jantor	4	4	0	0
Manufacturing	4	1	3	0
Arts	1	1	0	0
Security	2	1	0	1
El/Pl/Htg	1	0	1	0
Total	64	35	14	15
Percentage	100%	55%	22%	23%

The literature has also indicated an emerging trend of large corporations establishing their own in-house supply of contingent workers (Smith, 1985). A large number of contingent workers are

hired directly by employers (Russakoff & Skrzyzcki, 1988). It has also been reported that the number of contingent workers in the labor force is much higher than reported by the Bureau of Labor Statistics. BLS in its survey used employed persons via a temporary service firm. Carey & Hazelbaker (1986) suggest that when looking for short-term employment or employees, the temporary service agency can provide a well worth service to all parties. Our findings also suggest that an opportunity exists for temporary services agencies to provide invaluable services to firms via its training and placement abilities.

Summary of the Findings of Research Objective #3

The office and executive/professional contingent workers are most often employed by firms. Over half of all contingent jobs fell in the "office" category. In general, the use of these categories of contingent workers is soft, but a review of these data shows that the legal, banking and health industries have increased their use of "office" and "executive/professional" contingent workers over the past three years.

The following is a detailed description of the findings of the surveys as they relate to research objective #4.

4. To identify the reasons offered by small business entrepreneurs for employing the contingent worker.

Why Firms Chose to Employ Contingent Workers

The data analyzed regarding the advantages of using contingent workers as reported by employers (Table 21) include "saving money" 31% (23 out of possible 75 responses); "schedule

Table 21

**Reported Advantages of Using
Contingent Workers - Employer Survey**

Industry	n responses	Save Money	Faster work completion	More efficiency & accuracy	Eliminates Politics	Schedule Flexibility
Retail	22	8	3	4	2	5
Banking	3	1	0	0	1	1
Real Estate	11	2	2	2	1	4
Construction	7	3	1	0	2	1
Health	4	2	0	1	0	1
Legal	3	1	1	0	0	1
Education	1	0	1	0	0	0
Wholesale	2	0	1	0	1	0
Transportation	1	0	0	0	0	1
Communication	5	0	1	1	0	3
Prof. Assoc.	1	0	0	1	0	0
Social Svc.	2	1	1	0	0	0
Maint./Joint.	6	3	0	0	1	2
Manufacturing	2	1	1	0	0	0
Arts	3	1	1	1	0	0
Security	1	0	0	0	0	1
El/Pl/Htg	1	0	0	0	0	1
Totals	75	23	13	10	8	21
Percentage	100%	31%	17%	13%	11%	28%

flexibility" 28% (21 responses); "faster work completion" 17% (13 responses); "efficiency and accuracy" 13% (10 responses); and "eliminates office politics" 11% (8 responses). Other remarks made include the ability to avoid hiring full-time help; filling a need for short-term help periods; and handling backlogs, etc. It is apparent that employers view contingent workers as versatile, and these workers facilitate an employer's ability to meet corporate needs. All of the industries agreed on these findings.

To determine projected future needs of business and industry for contingent workers, one must analyze any patterns of change of use of contingent workers has changed if any over the past

three years. Employers responses to this question are tabulated in Table 22. The most frequent reason(s) cited by our respondents appeared equally divided between no change, and "employment of contingent workers occurs when there are peak staffing needs." A downsizing of staff and cost effectiveness of contingent workers were equally viewed as the second most common reason for employing contingent workers. Flexibility and specialized skills ranked third in importance. The order of these reasons were principally the same in all firms in all industries.

Table 22

Why has Change Occurred
in the Contingent Service
Industry

Industry ¹	N	Downsizing of Staff	Peak Staff Needs	Flexibility	Cost Effective	Specialized Skills	No Change
Automotive Svc	1	0	0	0	0	0	1
Retail	22	4	8	0	3	2	5
Banking	1	0	1	0	0	0	0
Real Estate	9	2	2	1	1	1	2
Construction	5	0	1	1	2	0	1
Health	1	0	1	0	0	0	0
Legal	3	0	0	2	0	1	0
Education	1	0	0	0	0	0	1
Wholesale	2	0	2	0	0	0	0
Transportation	4	0	1	1	1	1	0
Insurance	1	0	0	0	0	0	1
Communication	6	1	2	0	0	0	3
Prof Assoc.	1	0	1	0	0	0	0
Social Service	3	1	0	0	0	1	1
Maint/Janitorial	2	0	0	0	0	0	2
Manufacturing	1	0	0	0	0	0	1
Arts	2	0	0	0	0	0	2
Security	3	0	1	1	1	0	0
Total (N)	68	8	20	6	8	6	20
Percentage	100	12	29	9	12	9	29

¹ Electrical/Plumbing & Heating Category did not respond to this question.

I asked firms to describe the skills of the contingent workforce, to determine if these workers offered an employer more useful or technical skills than the regular workforce. Table 23 reports these results. The types of skills listed in the employer questionnaire were divided into two areas; the first describing technical skills, and the second describing basic literacy skills. My survey respondents were asked to provide data in both areas; however per the notes on Table 23, some firms did not respond to the entire question. Skills under analysis were:

1. strong technical highly specialized; less technically qualified;
2. more literate; less literate.

Twenty nine firms responded to this question. The skills in order of frequency were:

1. less technically qualified (15 firms);
2. strong technical and highly specialized (11 firms);
3. less literate (5 firms) and
4. more literate (2 firms).

The retail industry did not follow the mean response with respect to technical skills. The retail industry was the only industry reporting more contingent workers with more highly specialized skills than their regular workers. Six firms indicated that contingent workers were more strongly technical and highly specialized; and 4 firms described the skills of contingent workers as being less technically qualified. With

Table 23

Reported Skills of Contingent Workforce - Employer Survey

Industry	n	Strong Technical Highly Specialized	Less Technically Qualified	More Literate	Less Literate
Auto Svc ¹	1	1			
Retail ²	10	6	4	1	2
Real ³ Estate	2	1	1		
Construc ⁴	3		3		
Health ⁵	2		1	1	
Legal ¹	1		1		
Communic ³	3		3		1
Social ¹ Service	1	1			
Maint/ ¹ Janitorial	1		1		
Manufac ⁶	2				2
Arts ¹	1		1		
El/Pl/Htg ³	2	2			
Total	29	11	15	2	5

¹ Firm did not report on literacy category.

² Seven firms did not report on literacy category.

³ Two firms did not report on literacy category.

⁴ Three firms did not report on literacy category.

⁵ One firm did not report on technical category and one firm did not report.

⁶ Two firms did not report on technical category.

respect to the issue of literacy, retail firms agreed with the trend expressed by other industries; one firm found contingent workers more literate; while 2 firms responded in the negative.

The literature cites the increased use of contingent workers with highly technical and specialized skills (Bordhead, 1991; Wise, 1989; Zinn, 1988) namely in the engineering, legal and health professions. There is a discrepancy between what is reported in the literature and the skills reported by employers of contingent workers in the Bronx and surrounding New York City areas. Those highly specialized industries responding did not support the premise that they would employ a highly specialized and technically trained contingent workforce. Additionally, a small sample of the health and legal sectors responded to this question. A further investigation into this question might be warranted to examine in more detail the skills contingent workers possess in such industries.

The retail industry did report the use of more highly trained people. This may be due to the fact that the retail industry in the Bronx is mostly small business concerns ("mom & pop" owned stores), and also principally in the service sector, needing skilled and flexible workers to keep up with a very competitive and rapidly growing market (Johnston, (1987); Blaine, 1986; Gevirtz, 1984).

The literature suggests, and is verified herein, that contingent jobs bridge a gap in the full-time workforce. On the employers side, contingent workers are used during peak demands

(Office Reader Survey, 1990). It also gives an employer time to find an appropriate full-time worker (Deutsch, 1990; Macauley, 1986). On occasions when the use of the regular workforce is prohibited due to union contracts, contingent workers can and often are used. Regular workers are more expensive to use on an overtime basis; whereas a contingent worker is often paid less. During economic slowdowns, or phases of uncertainty (Lewis & Schuman, 1988), where it is less feasible to employ regular workers (Uchitelle, 1988) not enough funds to pay for extensive benefits, contingent workers are often very practical.

The issue of whether (or not) contingent workers save employers money has led to much debate. According to the literature, there are two opposing viewpoints. One, primarily voiced by representatives of the temporary service industry (Macauley, 1986; Lewis & Schuman, 1988; Lueck, 1985) suggests that it costs less - due to employers not having to provide benefits; and only paying for actual work time. Carey & Hazelbacker (1986) suggests that it costs more to employ contingent labor as a result of the fees imposed. In addition, the higher skilled or trained worker demands a higher salary and thus savings are reduced. Other hidden costs to consider by employers are training, the need for close supervision, and maintaining productivity of contingent workers (McCarthy, date unknown).

Summary of the Findings of Research Objective #4

The findings suggest that contingent workers do save money (31% of the total respondents indicated this as a reason for employing contingent workers). Flexibility was also cited as a major reason for employing contingent workers. Not surprisingly, flexibility was cited by the review of the literature as a primary reason for employing contingent workers, as well as for individuals choosing to work contingently.

The findings regarding the skills levels demonstrated by contingent workers suggests that contingent workers may need more training and education in order to become more competitive in the workplace. The findings also suggest that contingent workers may not have the same skills that regular employees possess, and thus may benefit from on-the-job training provided by contingent work. The findings also suggest that these less skilled workers would accept a more competitive (and lower) wage for their services in turn for the training opportunities.

The following is a detailed description of the findings of the surveys as they relate to research objective #5.

5. To identify the reasons offered by the contingent worker for seeking contingent work.

Why Contingent Workers Choose this Kind of Employment

The employee survey respondents were asked why they chose a contingent work assignment as opposed to a regular permanent position (see Table 24). Eighty-one (81) subjects in this survey were college students (70% of the total respondents); therefore,

it was not surprising that the most popular response for choosing contingent work (44 of the total 147 responses (30%)) was that it provided flexible hours for their study. A similar response (43 of the total 147 responses, 30%) was that they did not want the responsibility of a regular (or full-time) position.

Flexible hours was again cited by 30 subjects (20%) who also were working mothers using contingent jobs to fit into their busy schedules, and provide additional income for their families. In some cases these were single parents using contingent employment for survival. Lack of skills necessary for a regular position was cited by 26 respondents (17%). Four (4) respondents (3%) were retired from full-time work but wanted to work on a part-time basis.

The extent to which contingent workers remain in a contingent worker status was examined by questioning the subjects in the employee survey as to the number of different firms employed them on a contingency basis. Table 25 illustrates that forty (40) respondents (30%) reported working for 2 employers as contingent workers. Two (2) people (1.5%) reported that they were employed by 5 firms over time as contingents.

Summary of the Findings of Research Objective #5

In summary, flexible hours was given by 50% of the sample as the reason why they worked as contingent employees. These contingent workers may work in this capacity while studying part-time (Lueck, 1985), or while exploring career options (Russakoff & Skrzycki, 1988).

Table 24

Reasons for Choosing Contingent Work
Employee Survey

Reasons	N	%
Student in need of work with flexible hours	44	30
Did not want responsibility of a regular (full-time) job	43	30
Have dependent children and need flexible hours	30	20
Lack of skills	26	17
Retiree looking for part-time work	4	3
Total	147	100

Table 25

Number of different employers contingent workers were employed by

N	N of different firms	% of total respondents
40	2	30
35	3	26.5
25	1	19
18	4	14
12	>5	9
2	5	1.5
132		100

The following is a detailed description of the findings of the surveys as they relate to research objective #6.

6. *To identify specific kinds of training and other human resource development interventions currently used by entrepreneurs for preparation of contingent workers.*

Training

Training all of a firm's employees to perform their duties competently is a critical issue in the workplace today. Contingent workers are often hired because of their expertise or skills in a specific field. However, there have been instances cited in the literature where contingent workers need additional training (McCarthy, date unknown; Dreyfus, 1990), and in many cases also need literacy remediation skills (Fowler, 1990). This training can happen either on the job; or by teaming with a regular employee; or alternately through an outside vendor source.

I was interested in obtaining more information regarding this all important topic. Most training in the employer survey was reported by an outside vendor, (48%) (n = 31) and in teaming arrangements with regular employees (31%) (n = 20). Formal on-the-job training was only reported by 14% of the total responses (n = 9); and no training was indicated by 7% of the total sample (n = 5) (see Table 26). Overall industries followed the trends reported previously.

It would appear that only a small amount of contingent workers receive formal on-the-job training as a norm, throughout the workforce. A reluctance of business and industry to provide this actual training is not surprising due to its costs.

Summary of the Findings of Research Objective #6

I found that the occurrence of informal training provided by fellow workers was the norm. Sixty-five (65%) of the contingent workers received some sort of training either informal or formal on-the-job training. It is interesting to note that even though employers said that their workers received training by an outside vendor, the employees as a group did not indicate having this opportunity. Often employers believe that contingent workers were provided training by the temporary services firm. This however was not confirmed.

The literature suggests that private employers are hesitant to provide on-the-job training. (Fowler, 1990). With the large minority population entering the workforce by the Year 2000, it is imperative that "Managers...learn how to handle diversity among employees ...Companies must realize that employees with many different backgrounds do not have the same assumptions that their managers have "(p. D-16).

As reported by the employees 37% indicated that they received informal training by another employee in the firm; 35% indicated that they received no training by their employer. Another 28% received formal on-the-job training; and only 2 subjects (1%) received formal schooling outside of the firm, and paid by the employer. One (1) subject paid for training personally prior to receiving the contingent job (see Table 27).

Table 26
Training Reported by Employers

Industry	N	Formal OJT	Teaming/ Regular Employee	Outside Vendor	None
Auto Svc	1	0	1	0	0
Retail	20	2	8	9	1
Banking	2	1	1	0	0
Real Estate	6	1	1	4	0
Construction	4	0	2	2	0
Health	3	0	1	2	0
Legal	2	0	1	1	0
Wholesale	1	0	0	1	0
Transp.	2	0	1	0	1
Insurance	1	1	0	0	0
Commun.	7	2	1	3	1
Prof Assoc.	2	0	0	2	0
Social Svc.	3	0	0	2	1
Maint/Jan	4	0	1	2	1
Manufac.	4	1	1	2	0
Arts	1	0	0	1	0
Security	1	0	1	0	0
El/Plub/Htg	1	1	0	0	0
TOTAL	65	9	20	31	5
Percentage	100%	14%	31%	48%	7%

Table 27
Training Received by Contingent Worker from Employer
Employee Survey

Training	N	%
Informal training by another employee	50	37
No training by employer	48	35
Formal On-the-Job Training	35	28
Formal schooling outside of job paid by employer	2	1
Paid for own training prior to receiving contingent job	1	<1
Total	136	100

The following is a detailed description of the findings of the surveys as they relate to research objective #7.

7. To identify the practices and issues of job security, productivity, organization, work structures, and benefits affecting the contingent workforce.

An objective of this survey was to determine how contingent workers fit into the overall organizational structure of a firm. This information would provide us with a clear picture of how contingent workers are employed in business and industry, and what strategies could possibly be implemented to update, improve, and/or possibly modify the workplace to benefit both the organization and the contingent worker.

How contingent workers were perceived and treated by their regular employee co-workers are important issues that have been

discussed in Chapter Two. My findings are described below. According to the survey, 82 respondents felt that they were perceived and treated as a regular worker (part of the work team); 64% (n = 27) of those responding did not feel they were treated as part of the regular workforce (21%); and 20 (16%) experienced both kinds of reception depending on the firm where they worked. From this data it appears that a majority of contingent workers were treated like a regular worker and did not experience this as a barrier in working as a contingent employee.

A sense of acceptance as a member of the organization is not what the literature suggests. On the contrary, Kanner, (1990); Lewis & Schuman, (1988); Kirkpatrick, (1988) suggest otherwise. Often employers as well as contingent workers feel uneasy with a contingent relationship. In many cases, contingent workers have difficulty being accepted by the regular workforce.

I asked subjects to identify these and other difficulties they face as contingent workers. These are detailed in rank order and according to frequency in Table 28.

Difficulties cited by most contingent workers centered on benefits, such as those which are usually provided to regular workers (i.e., payment for holidays, health insurance, wages, and retirement entitlements). Also cited was transportation and day care expenses; however, these were lower on the list, and are also cited in the literature as a concern of all contingent workers. The literature identified organizational issues of work structures, benefits, etc. which posed barriers for contingent

workers. The lack of health insurance and child care benefits were mentioned in Chapter Two of this study as significant

Table 28

Difficulties Facing Contingent Workers
Employee Survey

Difficulties	N	%
No paid holidays off	90	32
Lack of health insurance benefits	76	27
Wage lower than regular workers doing same work	48	17
Lack of retirement program	30	11
Lack of adequate day care	14	5
Costly transportation expenses	11	4
Not received by other workers in firm as part of team	9	3
Lack of flexible hours	4	1
Total	282	100

barriers to employment for contingent workers. The findings of the survey regarding these problems and needs are detailed in Table 29.

In my interviews and discussions I was interested in identifying how contingent workers covered their medical and child care expenses when working on a contingent basis. I also wished to determine if there was a need for contingent employers to provide these benefits to their contingent workers as an incentive to maintain such a workforce.

In the survey, the contingent workers were asked to cite the benefits they received from (an if fully paid by) their

contingent employer. An overwhelming response was that flexible hours were provided; 106 (out of 148 responses) a 72% response rate was in

Table 29

Benefits Paid By Temporary Employer
Employee Survey

Benefits	N	%
Flexible hours of work	106	72
Paid holidays off	17	12
Flexible holidays off	11	7
Transportation	8	5
Medical (health) insurance	3	2
Child day care allowance	3	2
Total	148	100

this category. Paid holidays off was cited by 17 respondents (12%); followed by flexible holidays off (n = 11; 7%). Benefits that are given readily to full time employees such as health insurance was only minimally reported as a benefit by the contingent worker (i.e., medical n = 3; child care n = 3; no dental or retirement benefits were reported). See Table 29 for a complete list of these reported benefits.

Regarding health care expenses, (see Table 30) 28% (n = 32) were covered under their spouse/ex-spouse insurance policy, while 24% (n = 28) did not receive any monies for health care expenses. Nineteen subjects (17%) received government reimbursement/medicaid, with 19 others (17%) using health clinics. Fifteen

contingent workers (13%) were on public welfare, and one respondent (<1%) received ex-spousal reimbursement.

Table 30

Sources of Payment for Medical Expenses
Employee Survey

Sources	N	%
Spouse/ex-spouse insurance	32	28
Out of pocket	28	24
Government reimbursement/medicaid	19	17
Health clinics	19	17
Welfare	15	13
Ex-Spousal reimbursement	1	<1
TOTAL	114	100

As to child care, worker relatives provided care for contingent workers' children in 33 out of 49 responses (67%); 15 paid their own expenses (31%); and 1 worker (2%) reported that the minor was a "latchkey" child.

I was surprised to find that day care was only a concern of a small percentage (5%) of our sample. The providing of quality day care facilities and programs especially to minorities have been a priority of both educational and government agencies for many years. However, it appears that those contingent workers surveyed had made arrangements for day care prior to entering the contingent workforce. Services for day care was most often provided by a member of the worker's extended family. From our data it is apparent that business and industry is not overtly

providing these services. Female workers are taking it upon themselves to find appropriate day care facilities for their dependent children. I should also indicate that another explanation for our findings, might be that 43% of the respondents were single with no dependents and the majority were college students also with no dependents.

It was asked of the employer whether the contingent worker usually worked: (1) as a team member with other regular employees; (2) on specialized tasks; and/or (3) as any other employee. Data indicated 39% (32 of 83) of the contingent workers fell into the third category (as any other employee); with 35% (29 of 83) responding to the first choice (as a team member); and 26% (22 of 83) responding to choice 2 (on specialized tasks) (see Table 31).

Based upon employer data, it appears that the contingent worker in the laborforce is used flexibly throughout the organization depending on how the firm needs to capitalize on their skills based upon the needs of the organization.

The employee survey, solicited data respective to the contingent workers' experiences within the firm. Fifty-four out of 129 respondents to the employee survey (42%) reported that they worked as a team member with other regular employers; 41 subjects (32%) reported working as any other employee, depending on the job; and 34 subjects (26%) reported working on specialized tasks, and usually alone.

Table 31

Work Organization - Employer Survey

Industry	n	Team Member with Regular Employees	On Specialized Tasks	As Any Other Employee
Auto Svc	2	1	0	1
Retail	23	6	7	10
Banking	3	1	0	2
Real Estate	7	2	3	2
Construction	5	3	0	2
Health	3	1	0	2
Legal	4	2	1	1
Education	3	1	1	1
Wholesale	2	1	1	0
Transp.	1	0	0	1
Insurance	1	0	0	1
Commun	9	4	3	2
Prof Assoc	3	1	1	1
Social Svc	2	0	1	1
Maint/Jant	5	2	2	1
Manufact	4	1	0	3
Arts	4	2	2	0
Security	1	0	0	1
El/Pl/Htg	1	1	0	0
TOTAL	83	29	22	32
Percentage	100%	35%	26%	39%

Based upon the two surveys regarding how firms use contingent workers and according to skill and specialization, there appears to be a discrepancy between our findings and those cited in the literature. I specifically wanted to identify whether or not contingent workers were assigned to specialized tasks, thus verifying the need for contingent workers to possess specialized skills in order to match workforce needs. As

expressed by business and industry in our sample, it appears that there is less of a need for contingent workers with specialized skills. However, the trend as cited by the literature (Bordhead, 1991; Carey & Hazelbaker, 1986) is to employ more contingent workers who are assigned to specific technical functions or tasks.

Fowler (1990) indicates future trends of firms towards reorganization for increased levels of productivity within their organization. A job position will be created so that the skills level of the worker will match the job's level of difficulty. "The more challenging parts of a job can be handled by those better trained and qualified" (p. D-16). This will need to be taken into account when training programs are developed and implemented within organizations.

The average length of assignment by contingent workers was sought, to determine if there was a predominant trend regarding duration of contingent employment. The results obtained from the employer survey showed a wide diversity of time period experienced (see Table 32). The most frequent response 29% (18 firms) was in the "more than 2 months" category; followed by "1-2 weeks" at 26% (16 firms); 16% (10 firms) in the "3-5 days" category, with 11% (7 firms) in the "1-2 months" category, and with the remainder reporting at either "3-4 weeks", or the least utilized "1-2 days". Data analysis indicated that the longer period of employment was the most frequently cited. This trend was seen in the retail industry. The communications industry

reported a different trend which included more contingent hires for a short duration of 1-5 days.

The average length of assignment by contingent workers was also ascertained via the employee survey (Table 33), to see if there was a correlation of duration of contingent employment. The results obtained from the employee survey, as in the employer survey showed a diversity in the time period used. The two time periods most popular in both surveys was "more than 2 months" and "1-2 weeks".

Table 32

Average Length of Assignment
Employer Survey

Industry	n	1-2 Days	3-5 Days	1-2 weeks	3-4 weeks	1-2 months	> 2 months
Auto Svc	1	0	1	0	0	0	0
Retail	18	1	1	4	0	2	10
Banking	3	0	0	1	1	0	1
Real Estate	5	0	1	2	1	0	1
Construct	4	0	0	3	0	1	0
Health	3	0	0	1	0	1	1
Legal	2	0	1	0	0	0	1
Education	1	0	1	0	0	0	0
Wholesale	2	0	0	1	0	1	0
Transp.	2	0	0	0	1	1	0
Insurance	1	0	0	1	0	0	0
Commun.	7	2	3	0	1	0	1
Prof Assoc.	2	0	1	1	0	0	0
Social Svc.	2	0	0	1	1	0	0
Maint/Jan	4	1	1	0	1	0	1
Manufac	4	1	0	1	0	0	2
El/Pi/Htg	1	0	0	0	0	1	0
Total	62	5	10	16	6	7	18
Percentage	100%	8%	16%	26%	10%	11%	29%

Table 33

Average Length of Assignment
Employee Survey

Time Frame	N	%
More than 2 Months	51	40
1-2 Weeks	17	13
3-4 Weeks	15	11
More than 1 Year	15	11
3-5 Days	10	7.6
3 Months to 1 year	10	7.6
1-2 Months	5	3.8
More than 5 Years	5	3.8
1-2 Days	2	1.5
More than 10 Years	1	<1
Total	131	100

The literature suggests that contingent workers are working a longer time period for a single employer (Smith, 1985). This is apparent in the results of both the employer and employee surveys.

As I reviewed the literature, it became apparent that there will be an increased trend toward part-time employment (Johnston, 1987). To investigate the use of part-time vs. full-time contingent employment the employer sample was asked to provide data on this variable. Overwhelming data in favor of part-time contingent workers was collected. Fifty-six percent of the total respondents used part-time contingent workers versus 36% of the total respondents used full-time contingent employees. The retail industry however used part-time contingent workers almost

exclusively (see Table 34).

The literature confirms (Brophy & Walsh, 1987) that the largest segment of contingent workers are part-timers. Additionally, there are more part-time contingent workers in the workforce due to the unavailability of ample full-time work assignments.

Table 34

Average Length of Assignment - Part-time vs Full-time
Reported by Industry

Industry	n	Part-time	Full-time	Both
Retail	10	9	1	0
Real Estate	3	1	2	0
Construction	1	0	0	1
Health	1	1	0	0
Legal	1	0	0	1
Education	1	0	1	0
Communication	2	1	1	0
Maint/Jant	2	0	2	0
Manufacturing	3	2	1	0
El/Pl/Htg	1	0	1	0
Total	25	14	9	2
Percentage	100%	56%	36%	8%

Benefits Accrued to Contingent Workers by Employers

One question which I sought data to address via the survey was how wages of contingent workers compared to regular employee wages and benefits in a firm. Forty-eight percent (48%) (31 out of 65 firms reporting) of the employer respondents reported the same wages paid as to regular employees; Thirty-one percent (31%) (20 out of 65 firms) reported that they paid contingent workers less than their regular workforce; and 14% (9 firms) reported greater wages to contingent workers; with 7% (5 firms) of the respondents not being able to answer this question (see Table 35). The retail industry was equally divided between paying less and the same wages to contingent workers as to the regular employees. It appears that no single industry (with more than one firm reporting) paid contingent workers solely higher wages than their regular employees. It is equally true that no one industry paid contingent workers only lower wages than their regular workforce (other than those having more than one firm reporting in each industry).

It is interesting to note that one of the major reasons employers cited for using contingent workers was that it saves money. When questioned in more detail, however, 62% of the respondents replied that the wages of contingent workers cost the same or more than wages and benefits of regular workers.

Employers were queried as to those benefits they provided to contingent workers (see Table 36). Only 2% (1 response) reported retirement benefits, and 4% (2 responses) provided health

Table 35

Wage Salary Comparison
To Regular Employees Reported by Industry

Industry	N	Greater	Less	Same	Don't Know
Auto Svc	1	0	1	0	0
Retail	20	2	8	9	1
Banking	2	1	1	0	0
Real Estate	6	1	1	4	0
Construction	4	0	2	2	0
Health	3	0	1	2	0
Legal	2	0	1	1	0
Wholesale	1	0	0	1	0
Transp.	2	0	1	0	1
Insurance	1	1	0	0	0
Commun.	7	2	1	3	1
Prof Assoc.	2	0	0	2	0
Social Svc.	3	0	0	2	1
Maint/Jan	4	0	1	2	1
Manufac.	4	1	1	2	0
Arts	1	0	0	1	0
Security	1	0	1	0	0
El/Plub/Htg	1	1	0	0	0
TOTAL	65	9	20	31	5
Percentage	100%	14%	31%	48%	7%

insurance. Transportation allowance was provided for by 11% (5 responses), whereas 83% (39 out of 47 responses) checked the "other" category. Eleven of these specifically said, "none"; two replied, "meals," and two reported "workers compensation and unemployment insurance". Remarkably, no one firm had provided some sort of child care benefit. This trend was reported across all industries. This is substantiated in the literature (Williams, 1989; Uchitelle, 1988;). It is very infrequent that contingent workers receive benefits, especially if they are

employed directly as a consultant without the services of a temporary service firm. The offering of benefits, is also associated with supply and demand depending on the skills the contingent worker possesses and how much his services are in demand (Russakoff & Skrzycki, 1988).

Table 36

**Benefits Reported
Employer Survey**

Industry	n responses	Health Insurance	Retirement	Child Care	Transportation	Other
Auto Service	1	0	0	0	0	1
Retail	12	1	0	0	0	11
Banking	3	0	0	0	1	2
Real Estate	4	1	0	0	0	3
Construction	4	0	0	0	0	4
Health	2	0	0	0	0	2
Legal	2	0	0	0	0	2
Transportation	4	0	1	0	1	2
Communication	6	0	0	0	0	6
Prof. Assoc.	1	0	0	0	0	1
Social Svc.	1	0	0	0	0	1
Maint./Jaint.	3	0	0	0	1	2
Manufacturing	1	0	0	0	1	0
Arts	1	0	0	0	1	0
Security	1	0	0	0	0	1
El/Pl/Htg	1	0	0	0	0	1
Totals	47	2	1	0	5	39
Percentage	100%	4%	2%	0	11%	83%

Summary of the Findings of Research Objective #7

The majority of contingent workers interviewed felt that they were accepted by the regular workforce. Even though the contingent employees did not receive many of the standard benefits given to regular employees, they were resourceful enough to be covered or did without. The contingent employee was flexible enough so that the worker's versatility and adaptability

was used to the maximum by the employing firm. Almost half of the firms queried reported paying the same wages as regular employees. Most workers were employed for a long period of time, and was usually hired on a part-time basis. In my survey the contingent worker did not have the specialized skills in demand by firms as cited in the literature.

8. To identify the potential of the contingent workforce as a means of entry into the workforce for minority and disadvantaged workers.

The ultimate objective of this research project was to identify the potential of the contingent job as a means of entry into the workforce for minority and disadvantaged workers. In Chapter Five of this report I will pull together the overall findings of this study and provide an argument for its potential and/or limitations as a vehicle for job training and entry into gainful employments.

CHAPTER FIVE

Conclusions, Implications, and Recommendations

This report describes the findings of a sponsored research study examining the use of contingent workers as a flexible staffing alternative for business and industry. The study sampled both small and large firms and contingent workers in the Bronx Borough and surrounding New York City area. The results of this study are discussed herein to better understand the magnitude and scope of the present contingent workforce (in the New York City area) and implications for the potential use of contingent employment situations as a mechanism for assisting minorities and females to enter the mainstream workforce.

I believe that it is well recognized that business growth and economic development will significantly change as we approach the next century. So will the dynamics of the American workforce. Undoubtedly the small business will become the predominant new business enterprise. Therefore, to remain competitive, small businesses will need to develop a workforce which is adaptable to changing employment skills requirements and be able to work in more flexible environments.

What has been found - Conclusions

Despite my prior beliefs to the contrary, I found that the use of contingent workers is not widely practiced by entrepreneurs. Only 47 percent of the sample of businesses surveyed reported some use of contingent workers. Industries reporting this use was quite diversified. I sample and found a wide range of industries and

firms using contingent labor -- including retail, food service and industrially-oriented businesses, legal professions, health care and real estate. Large and small firms in each of these industries were canvassed. In most all cases, employers reported difficulties in attracting regular full-time skilled labor and professionals. This was in part a rationale for using contingent labor.

Other reasons cited by entrepreneurs for use of contingent workers centered upon cost savings (benefits mostly) and flexibility of hiring workers as manpower needs arise, and as specialized skills requirements dictate. While employers did indicate that they are experiencing shortages of qualified labor, they also indicate an unwillingness to invest monies in worker training. Long-term manpower needs appeared to take "a back seat" to immediate needs and problems. Yet 65 percent of those contingent workers responding indicated that they did receive some training -- even if it was less formal than On-the-Job training.

It is also well recognized that the baby boom is ebbing, and the nature of those entering the workforce is changing. I have already said that between now and the end of the Century demographers estimate that about 80 percent of new workers will be women, minorities and immigrants. Also fewer younger workers are entering the workforce. Many of these are poor, single mothers with children, as identified in this survey.

I have found that many minority groups are represented in the contingent workforce. Eighty-one (81) percent of those responding are females; seventy-six (76) percent of the total respondents are

black, hispanic, or oriental. Many more are single parents. Seventy (70) percent are college students. These are significant findings in my estimation. The contingent labor force appears to offer opportunities to minority and non-traditional populations both to enter the job market, and to receive some basic skills training. Thirty-seven (37) percent of my contingent work sample indicated that they chose contingent work, in fact, to get training and valuable work experience which would permit them to secure regular long-term work.

Literacy has surfaced as a problem -- employers are regularly reporting that workers, including contingent workers, do not have a basic level of functional literacy required to perform to a full capacity. The result is that firms of all types are forced to undergo major changes in the way they hire, train, pay, and retrain employees. Unless new sources of workers can be found and employers are willing to invest in training, jobs may be lost to automation; the quality of service to which customers have become accustomed may decline; and more jobs will be exported overseas. In the long run, our nation's competitiveness will suffer. I suggest that the answer in part, to these problems, is the contingent worker.

I was also surprised to find that a source of contingent labor on the increase -- the retired professional -- was not reported extensively by those responding to our survey. This category of worker offers great promise as a training resource to business and industry.

Suggested Future Directions

I suggest a three-tier approach to disseminate the knowledge acquired as a result of this study. First, we as business educators need to recruit people into college level programs who are seeking gainful employment, and who are looking for opportunities for entry-level work experiences. Second, we need to establish cooperative educational relationships with our local businesses to provide our students with opportunities for structured learning experiences (and part-time earning opportunities), and to provide employers with sources of contingent labor. By working with local businesses we can structure coordinated on-the-job training to prepare our students for these part-time job opportunities.

An opportunity for proactive recruitment. An area in higher education which often is overlooked is planned student recruitment. The opportunity for part-time employment as a contingent worker can be a real incentive for students. If we in Business Education can foster on-going relationships with local businesses; or with temporary service firms serving area businesses; we can offer our students an opportunity for gainful part-time employment in addition to educational experiences in our classrooms. At the same time, we build our student enrollments. Recruitment can be a coordinated effort with business or with temporary service firms. People presenting themselves for employment can be referred to the college for appropriate training for employment. Not to be overlooked is the "two-plus-two" tech prep arrangements with high

schools or community colleges. Identify students who are ready for contingent employment and further study can be a viable activity.

An opportunity for entry-level training. Perhaps the greatest single incentive for minorities and women (or anyone else) to secure contingent employment is to glean the opportunity for work experience and training (even informal training via one-on-one supervisor-employer guidance and direction). This is confirmed in our findings.

One of the purposes of this research study was to determine the appropriateness of contingent employment as a means of entry into the mainstream workforce for minorities and women seeking employment, thus serving as a form of structured workplace learning via the on-the-job development of a worker's knowledge and skills. Based upon the analyses of these data I believe contingent work is a vehicle for entry into the workforce for these populations.

How can structured workplace learning take place -- and what should our roles be in serving as a catalyst for such training? I submit that working cooperatively with business and industry in the following manner, this training can be made to happen.

Internship. First consider developing internships for students with business and industry. An internship from a college perspective can be a contingent hire from a business perspective. Entrepreneurs need to consider community-based educational opportunities for their workforces. Partnerships with colleges allow interns in the various college business programs to experience the workplace and allow these students to gain real-

world training as potential employees. These internships also permit the business organization to assess the contingent worker for possible long-term employment.

Internships have been tried in the temporary service industry. Sadka (1988), and Sacco (1987) indicate that the temporary service industry has had formal relationships with local manpower and vocational rehabilitation services nationwide over the last several years. The successes of these programs have been limited at times by the client's literacy ability, which hampers functions in those technical areas necessary to sustain employment in the industry. We need to develop remedial programs to alleviate this problem. This concern was also voiced by Bennett (1988) at Career Blazers, a New York based temporary help agency which has been working with several local social service agencies in similar capacities. Thus, it is apparent that the success of such a relationship will be greatly dependent upon the ability of an internship program to incorporate certain remedial literacy elements into the formal training structure, either through a third party provider, or into the funding mechanism of the temporary help agency.

Some businesses have established formal programs and linkages with their local manpower and vocational rehabilitation public agencies to provide training and supervised contingent employment opportunities, as well as transition counseling for their clients as contingent workers. In effect these training opportunities become a life-line into stable work for these clients as contingent workers. Thus this linkage of business with a public training

agency provides a community service and a source of contingent labor for the firm.

Other kinds of supportive employment activities also can work to develop employment skills. We as college faculty can assist the business manager and entrepreneur to develop programs to support contingent labor. For instance:

Mentoring. Contingent workers need the opportunity to feel part of the workforce team. It is important to emphasize the value of the contingent worker as a member of the organization. This is perhaps the greatest disadvantage expressed by contingents - longevity with a company. Assignment of a mentor such as a senior full-time employee, to assist the contingent worker with company procedures, as well as other details of the working environment would provide the support structure so badly needed. Mentoring involves teaming of a new worker (contingent worker) with a seasoned worker to carry out related job responsibilities. The seasoned worker assists the new worker in learning how to work within the firm, and learn firm-specific job tasks. Mentoring permits a new worker to successfully integrate into a firm, and alleviates frustrations on the part of the new workers which can lead to a worker exiting a firm prematurely.

You can also assist local businesses to develop cooperatives for training their entry-level employees. As previously noted in Chapters 2 & 4 I found that many employers are not eager to train workers formally on-the-job. Additionally the findings from the survey suggests that most training is done informally (reported by

a third of the respondents in each survey); or provided by outside vendors. Employers have indicated that they expect contingent workers to acquire their training from elsewhere such as from a temporary service firm, and thus do not desire to provide such training. However, I firmly believe that a need exists for structured on-the-job training in the small business environment. Perhaps this can best happen through community business and industry collaboratives -- thus sharing the costs and responsibility with other firms.

One success story I identified is The Chocolate Chips Community Word Processing Collective (see "PCs grow in Brooklyn", 1990). This collaborative has been working to combat this problem of providing minority youth with training opportunities for local business and industry. It provides them with the skills necessary to become a part of the skilled workforce. The collaborative was developed by black business professionals in Bedford Stuyvesant community of New York City - a high crime area, with high poverty problems -- thus a classic example of a neighborhood confronting all the economic problems described in the Workforce 2000 Report. The collaborative was established to provide training and temporary employment in business-related services to their neighborhood. Its basic goal is to use computer literacy as a tool for economic development. In reaching its goal, it is able to provide the disadvantaged an opportunity for technical training including job skills that will be needed to hold highly skilled jobs as well as giving them temporary employment, and provide computer services to

small disadvantaged businesses in the community. The Collective formed a partnership between the residents and businesses of the community benefiting all.

In the review of the literature, I identified several corporations such as Aetna Insurance Company that have set up internal educational training centers to prepare their own pools of contingent workers. Aetna's Institute for Corporate Education founded in 1988 employs minority and females (and others) and trains them in basic office skills (Dreyfus, 1990).

A role for business educators as consultants. We need to extend our roles into the business community as consultants, and bring entrepreneurs, personnel administrators, and managers the information and skills to successfully employ contingent workers. By analyzing a firm's practices we can highlight where in the organization contingent labor can be used to maximize production efficiency, and limited resources. We also need to recruit contingent workers into a firm.

Herein are the implications for business educators -- as professionals we must provide leadership and guidance to our business people and entrepreneurs of tomorrow. After all, the means by which individual businesses develop policy and personnel procedures to attract, train, use and retain workers, including contingent workers, will in part, determine the competitive posture of these firms over the next decade. We need to look at the kinds of training (and related motivators) which will be needed in order to continue to employ contingent workers, and to use them in

productive capacities. We need to stress opportunities for business and industry to work with community colleges to provide cooperative education and training programs. But how will we change the attitudes of entrepreneurs towards putting more emphasis on on-the-job training?

We as business educators have a responsibility to provide the leadership to effect changes in the ways that American businesses function. We can do this in several ways. We formally teach tomorrow's business leaders and workers. We can consult in best personnel practices to today's leaders. We also can disseminate the findings of studies such as this one. We must use these opportunities as effectively as possible.

There are some suggestions for educating the entrepreneur or business administrator in best practices to use in order to capitalize upon this segment of the workforce. These are some of the practices and kinds of information which we need to incorporate into our business education curricula.

What I have found are needs: (1) on the part of the entrepreneur for trainable human resources; and (2) on the part of special groups of workers for opportunities to enter the mainstream workforce and gain useful skills. The business educator has a golden opportunity to develop and deliver training, and to provide consultative outreach interventions to assist local industry and its potential workers to solve their mutual needs.

Implication for Business Education Curricula

A primary task is to assist business people develop strategies

for maximizing available resources. The business person wishing to capitalize on the contingent worker will need information on changes in work practices, including changes in work/job structures, changes in training to increase productivity and job support structures, and changes in benefits structures. These changes need not be costly. In fact, I suggest such changes can save money. Some of these strategies are as follows.

We need to review our present curricula in Business Education, Personnel Administration, and related management services, and determine where changes are needed based upon the findings of this study, and in light of the following implications. I will discuss the implications in terms of: (1) job structure changes taking place in American business and industry; (2) changes taking place in benefits structures; and (3) job support structures needed in American business and industry. Where curricula revision is indicated, make the revisions so as to better prepare tomorrow's entrepreneurs, personnel administration, managers, and workers.

Job Structure Changes

Flexible hours. We need to provide information to business in the best ways to use employee time. Perhaps one of the most attractive aspects of contingent work is the flexibility of work schedules for both the employer and the contingent worker. Managers who recognize that not all workers must be on hand during the traditional 9AM to 5PM schedules will benefit from the worker that can report to the office during the "off-hours," usually for a wage much more competitive than the traditional worker. Many

firms are capitalizing on contingent workers using their homes as their base of operations. This is attractive to many individuals taking care of youngsters at home, or the elderly, as I found in my study. With the development of electronic technology, this is becoming more attractive and feasible. Additionally, firms can begin to take advantage of the desk space or production space that would otherwise go un-used during these off-hours. Firms can also begin to experience new customer bases which will develop as a result of a contingent workforce reportable on call and at non-traditional hours. This is especially true in the service business. These kinds of ideas will benefit personnel managers and entrepreneurs.

Shared positions. Rather than employing one full-time employee to do any particular job, firms should consider ways to break that position up into two or more people to tackle the job. This will require coordination, and perhaps an overlapping of work schedules to transition one worker into the daily activity of the other worker, but in the long run the job will probably benefit from the inputs of the different talented individuals. We need to stress the development of organizational designs which reflect these innovations.

Transitional work opportunities. I found that many contingent workers require the flexibility of part-time work for a period of time, such as during early child rearing years, or during formal schooling. They welcome the opportunity to participate as a member of the firm, and to have a certain level of benefits as well. They

also welcome the opportunity to begin to transition to more progressive job responsibilities as their talents, value to the firm, and time permits. Thus, this becomes a good opportunity for a firm to try out an employee, and train that employee for more valuable tasks as the company's needs require.

Use of retirees (mature workers). We need to emphasize the use of the retiree as a valuable contingent labor resource. I was surprised to find little or no use of retirees and/or mature workers as contingent workers. These workers possess the expertise and skills necessary to play an important role to revitalize and stimulate local economic growth. Retired workers must be mobilized. Retirees have for many years helped business and industry reap the benefits of their past experiences (thus train) (i.e. SCORE, AARP and other professional organizations). We can also develop workshops and institutes to promote linkages between business and retirees.

Changes in Benefits Structures

Another area where we can provide guidance to entrepreneurs is in creative use of benefits.

Use of earned leave. To care for children, the contingent employee needs the flexibility of using accrued time off such as sick leave or vacation leave. As firms begin to provide procedures which do not penalize workers for taking earned time off for legitimate reasons others than personal health, this new and emerging workforce will begin to seek out such firms as their choice of employer. I believe we need to emphasize that a firm

should put procedures and processes into place for scheduling work and workers so as to minimize the work flow disruption in the event of sudden family emergencies which necessitates a worker taking time away from the office.

Pregnancy leaves for the contingent worker - mothers and fathers. I see entrepreneurs moving rapidly towards development of policies and procedures to allow both contingent workers time away from work to care for the new family addition, with the protection of returning to their respective positions. This need will become more apparent in the coming decades, as "two-earner" families will become the norm. In fact, I see the government focusing legislation on this need.

Appropriate family benefits packages. Health insurance, life insurance, and other traditional coverage provided to employees by the firm should also be extended in part to the contingent worker. While not a major problem identified in my survey by contingent workers, benefits should be examined. Contingent workers need not depend on their spouse, or do without coverage, as our survey indicated. It has been suggested that there should be coverage provided by the federal government to ensure that all workers be adequately covered. Many companies have begun offering cafeteria-type plans to their full-time employees in an effort to allow each employee to select the types of coverage which best match that employee's needs, and thus trimming the overall cost of these benefits to the firm. Typically, the company-paid benefit is fixed for each class of employee, and within those limits, the employee

may choose coverage, and/or supplemental coverage at additional employee expense.

Bonuses for exemplary work - This has become essential for attracting new employees for displays of exemplary service or loyalty. The mature professional worker can be motivated through use of a bonus structure for attracting new contracts or customers into the firm, based upon their former associations and affiliations. In the service-oriented professional markets in the Washington DC area, this has become very profitable in the contingent services industry.

Transportation expense allowances. These allowances have become a company benefit appreciated by the poor or single parent who must travel a distance to secure work. Whether urban or rural, this has become a major problem. This problem is exacerbated in urban areas where parking also becomes an expense as I have found.

Day care facilities. Day care facilities is a real benefit to the contingent worker parent who needs good, dependable and safe custodial care for young children during working hours. This benefit also can provide a good tax shelter to the firm.

Educational benefits. I believe that we need to emphasize the benefits accrued to a firm resulting from a better educated worker. Contingent workers should be offered educational benefits proportioned to other employees, and to their service to a firm. Educational benefits should permit employees to participate in higher education in community educational institutions such as community colleges and universities; and in subjects appropriate to

both their long-term goals and the firm's needs and interests.

Summary & Educational Significance

The contingent worker as a human resource for the business wishing to stay competitive and viable in today's world of business is a reality. The methods by which to capitalize upon this worker can be numerous. I have attempted to present some of the arguments for use of this human resource based upon this study, as well as some of the methods useful to attract and keep this worker.

The size of this class of worker--the contingent worker--will increase as the growth in retail industry, health care industry, transportation and communications industries and others grows. These are the present predominant industries employing the contingent worker. However, all industries can benefit from use of the contingent worker. How we educate the business major in college, and the potential contingent worker and entrepreneur will have a profound effect on how this segment of the workforce fares.

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About the Author

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APPENDIX

Appendix A
Contingent Employer Questionnaire

Questionnaire

Temporary Employee Use

Dear Business Owner,

The faculty of Lehman College is conducting research into the use of temporary employees by area businesses. A temporary employee is a person hired to fill a short-term need; a specific job until it is completed; a replacement for a regular worker until that person returns; or other need which does not require a regular employee. This temporary employee might work either full-time or part-time. This information would help us identify the ways and means to improve our programs to better prepare workers for your firms. Would you please assist us by answering these few questions. Please return in envelope.

1. Has your firm used temporary employees ____ over the past 3 yrs
____ presently, ____ both, or ____ never? (Check one only)
2. Approximately, how many temporary employees have you employed?
____ over the past 3 years ____ presently
3. What percentage of your work force is temporary help?
Mark N for Now and P for over the past 3 years.
____ Less than 1% ____ 2-5% ____ under 10%
____ under 25% other ____ %

Approximately, how many of those temporary employees over the last three years were:

4. ____ Male ____ Female
5. ____ Full time ____ Part-time
6. ____ 16-21 ____ 22-30 ____ 31-40 ____ 41-50 ____ over 50
7. ____ Caucasian ____ Black ____ Hispanic ____ Asian ____ Oriental
8. ____ Single ____ Married ____ Single Parent
9. ____ College Student ____ Housewife returning to the workforce
____ Retiree ____ Recent Emigre
10. Are these temporary workers significantly different with regard to sex, race, background, and marital status than your regular employees over the past three years?
____ Yes ____ No

If yes, how? _____

11. Are the skills of your temporary workers: (check all that apply)

____ strong technical & highly specialized
____ less technically qualified than the regular workforce
____ more literate than the regular workforce
____ less literate than the regular workforce

12. What kinds of temporary help does your firm use? (Check all that apply)
Mark N for Now and P for over the past 3 years. If both mark B.

____ Executive/Managerial	____ Administrative
____ Legal	____ Sales
____ Accounting/Financial	____ Consultants
____ Secretarial	____ Word Processing
____ Clerical	____ Filing/Receptionist
____ Data Processing	____ Factory
____ Laborer	____ Health Care/Assisting
____ Nursing	

13. By what percentage has your use of temporary help changed in the past three years, if any? (Check one only.)

☐ No growth ☐ Reduction by ____ % ☐ Less than 5%
☐ 5-10% ☐ 11-15% ☐ 16-20%
☐ 21-25% ☐ 26-30% ☐ 31-40%
☐ 41-50% ☐ More than 50%

14. Why has your use of temporary help changed over the past three years? (Check all that apply.)

☐ Downsizing and other staff cutbacks
☐ Staffing needed only for peak periods
☐ Flexibility of temporary help
☐ More cost effective than hiring regular employees for less than full time work
☐ Availability of specialized skills
☐ Other _____ (please specify)
☐ Use of temporary help has not changed over past three years

15. How does your firm expect the use of temporary help to change in the future? (check one only.)

☐ Increase ☐ Decrease Why _____
☐ Stay the same ☐ Don't know

16. What is the average length of assignment for the temporary help you use? (Check one only.)

☐ 1-2 days ☐ 3-5 days ☐ 1-2 weeks ☐ 3-4 weeks
☐ 1-2 months ☐ More than 2 months

And (check one) ☐ Part-time ☐ Full-time

17. What are the advantages to your firm of using temporary help?

(check all that apply)

☐ Save money ☐ Gets work done faster
☐ Gets work done more effectively/accurately
☐ Eliminates politics in the work place
☐ Provides greater flexibility in scheduling
☐ Other _____

(please specify)

18. Do you hire temporary employees _____ directly or through the use of a _____ temporary services company, or _____ both?

19. How do wages of temporary help compare to full-time wages and benefits in your firm? (Check one only.)

☐ Greater ☐ Less ☐ About the same ☐ Don't know

20. What benefits do you provide to your temporary help?

(check all that apply)

☐ Health Insurance ☐ Retirement Program
☐ Child Care Allowance ☐ Transportation Allowance
☐ Other, Please Specify _____

21. What kind of training do you provide to your temporary help?

(Check all that apply.)

☐ Formal On-the-Job Training ☐ Outside Training
☐ Teaming with other experienced workers ☐ None

22. How do temporary employees usually work within your firm?

(Check all that apply.)

☐ As a team member with other permanent employees
☐ On specialized tasks, usually alone
☐ As any other employee, depending on job

What Business or Industry are you in _____

Number of Employees _____ Location _____ Phone _____

Is your firm a :

☐ small business (under \$3.5 M annual sales)
☐ small disadvantaged business (minority owned)
☐ mid-size business (over \$3.5 M but under \$5M annual sales)
☐ large firm

Name and Phone Number of Contact Person in Firm we may contact for additional information _____ (optional)

Appendix B
Contingent Employee Questionnaire

Temporary Employee Questionnaire

Dear temporary worker:

_____ (last four digits ssn)

The faculty of Lehman College is conducting research into the use of temporary employees by area businesses. A temporary employee is a person hired to fill a short-term need; a specific job until it is completed; a replacement for a regular worker until that person returns; or other need which does not require a regular employee. A temporary employee might work either full-time or part-time. This information would help us identify the ways and means to improve our programs to better prepare workers for area firms. Would you please assist us by answering these few questions.

1a. Are you presently working as a temporary employee for an employer? _____ YES _____ NO

1b. Have you ever worked as a temporary employee for an employer? _____ YES _____ NO

If you answered yes to either questions 1 or 2 above, please answer the following questions based upon your experiences as a temporary employee.

2. How many different employers have you worked for as a temporary employee?

_____ One _____ Two _____ Three _____ Four _____ Five _____ Over Five

3. What kind of temporary work do you do (or have you done)?

(check all that apply)

_____ Executive/Managerial	_____ Administrative
_____ Legal (professional)	_____ Sales
_____ Accounting/Financial (professional)	_____ Consulting
_____ Clerical/Secretarial	_____ Word Processing
_____ Laborer	_____ Filing/Receptionist
_____ Data Processing	_____ Factory
_____ Nursing	_____ Health Care/Assistant

4. What is your present status?

_____ College Student (_____ full-time _____ part-time)
_____ Retired from work _____ Homemaker returned to the workforce
_____ Immigrant (or recently entered US when first employed as a temporary worker)
_____ Other (please specify) _____

5. What was the average length of assignment (employment) you had with an employer?

_____ 1-2 days _____ 3-5 days _____ 1-2 weeks _____ 3-4 weeks
_____ 1-2 months _____ more than 2 months _____ 13 months-1 year
_____ more than 1 year _____ more than 5 years _____ more than 10 yrs.

6. Why did you choose a temporary work assignment (as opposed to a regular permanent position)?

_____ I have dependent (young) children and needed flexible hours.
_____ I do (did) not have the skills necessary for a regular position.
_____ I did not want the responsibility of a regular (or full-time) position.
_____ I was retired from full-time work, and wanted only enough work to occupy part of the day/eve.
_____ I am (was) a student in need of work with flexible hours.
_____ Other, please specify _____

7. Which of the following benefits did you receive as paid by your temporary employer?

_____ medical (health) insurance	_____ dental insurance
_____ child day care allowance	_____ on-site day care
_____ transportation allowance	_____ college tuition
_____ retirement program	_____ flexible hours of work

☐ paid holidays off ☐ flexible holidays off

7a. Without medical benefits, how do you take care of medical expenses?

☐ spouse/ex-spouse insurance ☐ ex-spouse reimbursement
☐ government reimbursement/medicaid ☐ welfare
☐ city clinic ☐ out of pocket ☐ other

7b. Without child care reimbursement, how do you provide care for your children while at work?

☐ relative babysitter ☐ pay out of pocket ☐ take child to work
☐ latchkey child ☐ other

8. How were you treated or perceived by other regular employees of the firm?

☐ As a regular worker ☐ As a person who was not a
(part of the work team) regular employee of the firm
☐ Both, depending on the firm.

9. What difficulties did you face as a temporary worker?

(check all that apply)

☐ Lack of adequate day care for young children
☐ Lack of health insurance benefits
☐ Costly transportation expenses
☐ Lack of retirement program
☐ No paid holidays off
☐ Lack of flexible hours (children's school schedule made work hours difficult to plan)
☐ Was not received by other workers in firm as a part of the team
☐ Wage was lower than regular employees of firm doing same work

10. What kind of training did you receive by the employer?

(Check all that apply)

☐ None ☐ Formal On-the-job training
☐ Informal training by another employee
☐ Formal schooling outside of firm, paid by employer
☐ Paid for own training prior to receiving job
☐ Other, please specify

11. How do (did) you usually work within the firm?

☐ As a team member with other regular employees
☐ On specialized tasks, usually alone
☐ As any other employee, depending on the job

Tell us about yourself:

☐ Female ☐ Male
☐ Black ☐ Hispanic ☐ Caucasian ☐ Oriental ☐ Asian
☐ Single ☐ Married ☐ Separated ☐ Divorced
☐ Single parent ☐ Empty nester ☐ Retired
☐ Chronically Unemployed ☐ Recent Immigrant

☐ Resident Alien

☐ Age 16-21 ☐ Age 22-25 ☐ Aged 26-30 ☐ Age 31-35
☐ Age 36-40 ☐ Age 41-55 ☐ Age 56-65 ☐ Over Age 65